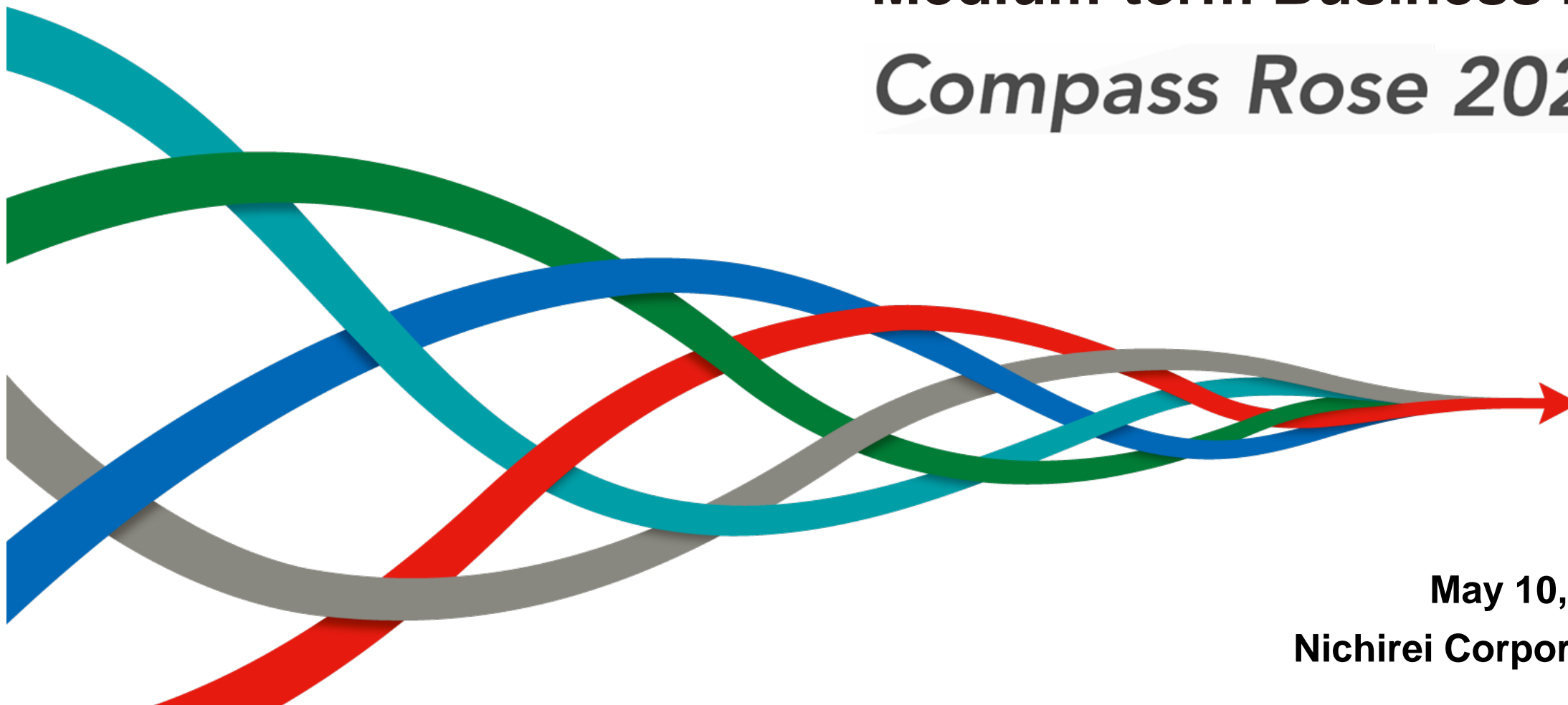


Nichirei Group Medium-term Business Plan

Compass Rose 2024



May 10, 2022
Nichirei Corporation

- **Review of the Previous Medium-term Business Plan WeWill 2021 (Pages 1–5)**
- **Long-term Vision (Pages 6–7)**
- **FY2023-FY2025 Medium-term Business Plan Compass Rose 2024 (Pages 8–27)**

Group Strategies

Strategies by Business

- **FY2023 Outlook (Pages 28–32)**
- **Appendix (Pages 33–37)**

Note: Unless otherwise noted, monetary figures in the graphs and charts of these materials are rounded to the nearest unit and some fractional amounts are either rounded up or truncated.

Fiscal years begin on April 1 of the previous year, and end on March 31, e.g., “FY2023” indicates the period April 1, 2022 to March 31, 2023.

Review of the Previous Medium-term Business Plan WeWill 2021

Review of the Previous Medium-term Business Plan WeWill 2021 (Consolidated Results)



Core Measures

- (1) Realize sustainable profit growth: Raise profitability by strengthening the management foundation and transforming the business structure
- (2) Improve capital efficiency and expand shareholder returns
- (3) Create new value that supports good eating habits and health

(Billions of yen, except where noted)

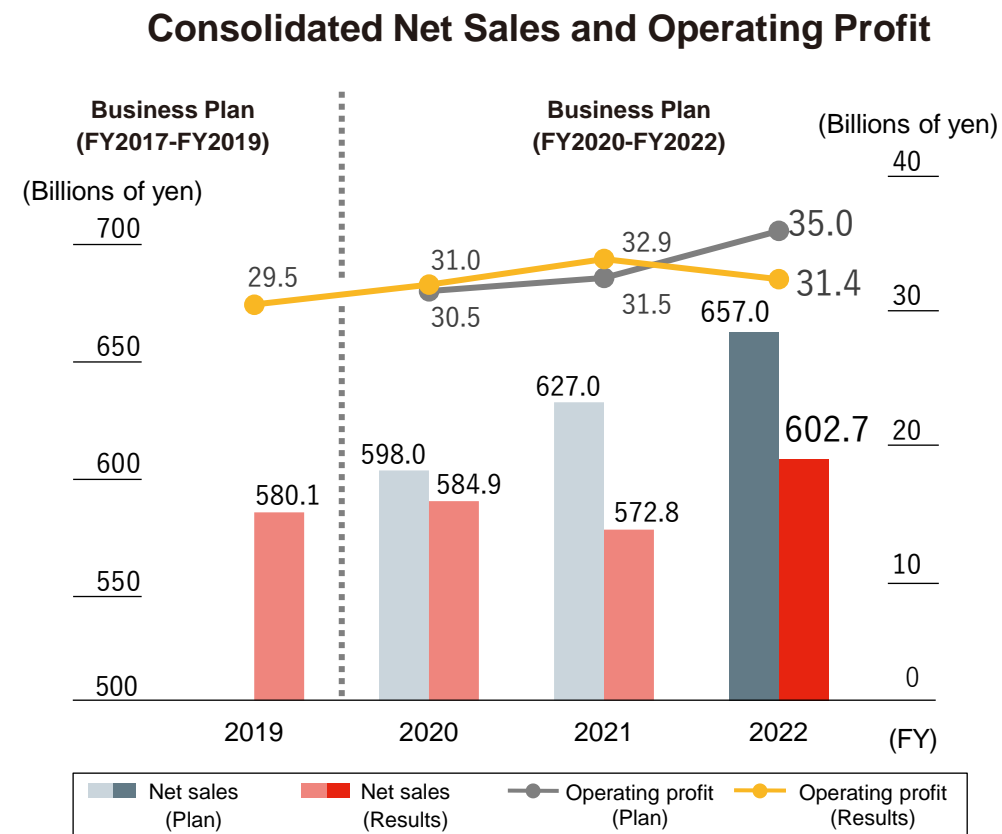
Financial Results

	FY2019	WeWill 2021					
		FY2020	FY2021	FY2022	Plan	vs. Plan	CAGR
Net sales	580.1	584.9	572.8	602.7	657.0	-54.3	1.3%
Overseas sales	79.2	79.7	76.9	97.6	102.3	-4.7	7.2%
Operating profit	29.5	31.0	32.9	31.4	35.0	-3.6	2.1%
Operating margin (%)	5.1	5.3	5.8	5.2	5.3	-0.1	
Profit attributable to owners of parent	19.9	19.6	21.2	23.4	22.0	+1.4	5.4%
Profit per share (Yen)	149.65	147.16	159.19	176.72	¥164.9 or more		5.7%
EBITDA	47.0	49.4	52.6	52.5	57.6	-5.1	3.8%
ROE (%)	11.7	10.9	10.9	11.3	10% or higher		

Review of the Previous Medium-term Business Plan WeWill 2021 (By Segment)

- Operating profit for temperature-controlled logistics grew steadily throughout the three-year period, but the Group overall fell short of the plan due to the impact of a decrease in operating profit from processed foods in the final year.
- Profit exceeded the plan due to recording extraordinary income* and other factors.

		(Billions of yen)		
		FY2022 results	vs. FY2021	vs. Plan
Net sales	Processed Foods	244.2	+18.8	-18.8
	Marine Products	67.7	+4.6	-7.3
	Meat and Poultry	80.3	-3.8	-22.7
	Logistics	224.5	+12.2	-2.5
	Real Estate	4.3	-0.3	-0.2
	Other	4.2	-0.7	-3.8
	Adjustment	-22.6	-0.9	+0.9
	Net sales	602.7	+29.9	-54.3
Operating profit	Processed Foods	14.2	-2.9	-4.5
	Marine Products	1.0	+0.4	+0.1
	Meat and Poultry	1.2	-0.1	-0.6
	Logistics	14.6	+1.5	+1.9
	Real Estate	1.7	-0.4	-0.1
	Other	-0.3	-0.0	-0.9
	Adjustment	-0.9	-0.1	+0.5
	Operating profit	31.4	-1.5	-3.6
Ordinary profit		31.7	-1.9	-3.5
Profit attributable to owners of parent		23.4	+2.2	+1.4



* See page 32 for details of extraordinary income.

Summary

Priority Measure

Results

Issues

(1) Realize sustainable profit growth: Raise profitability by strengthening the management foundation and transforming the business structure

- Net sales reached record highs from responding to changes in the operating environment caused by COVID-19.
 - Processed foods increased sales of household-use products by capturing demand for eating at home.
 - Temperature-controlled logistics enhanced its operating condition by ensuring the appropriate collection of payments due and promoting business innovation, and achieved profit growth exceeding the plan.
 - Systematically allocated resources to core businesses.
- Decrease in profit (and profit margin) of processed foods
 - Delay in responding to soaring raw material prices and yen depreciation
 - Reduced operation at production factories in Thailand
 - Delay in reform of marine products business structure
 - Deterioration of the earnings base in the bioscience business due to delay in responding to changes in the operating environment

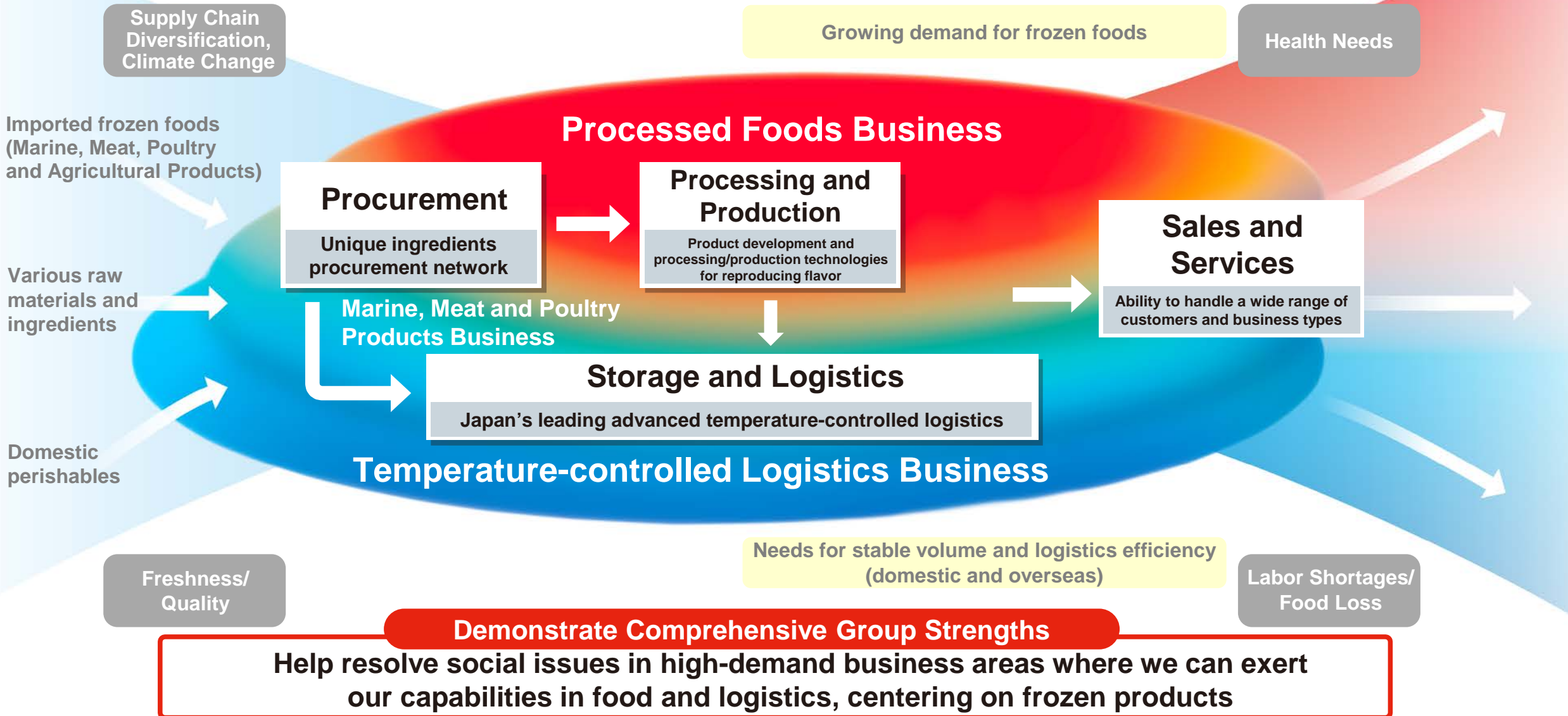
(2) Improve capital efficiency and expand shareholder returns

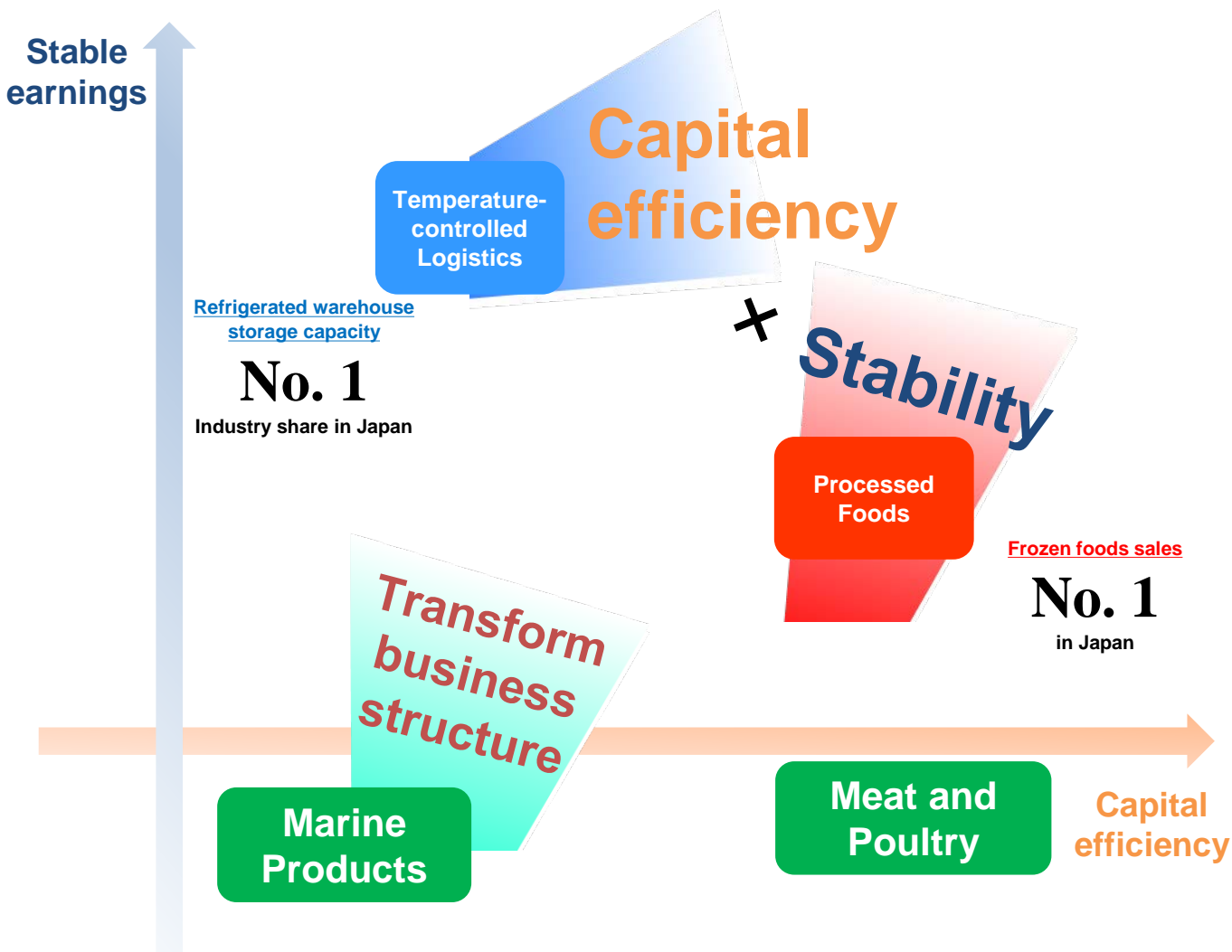
- Maintained ROE of 10% or higher; continuously increased dividends.
- Decline in capital efficiency of processed foods and meat and poultry products





(3) Create new value that supports good eating habits and health

- Conducted initiatives to create new value.
- Improved external evaluation by upgrading infrastructure for sustainability and ramping up ESG initiatives.

Business Model and Strengths





	Strengths	Issues
Processed Foods	 <p>Sales Growth and High Capital Efficiency</p> <ul style="list-style-type: none"> Sustainable growth is expected in a market with strong demand Differentiated product development capabilities High capital efficiency 	 <p>Volatility</p> <ul style="list-style-type: none"> High ratio of overseas production and purchasing entails sensitivity to the external environment
Temperature-controlled Logistics	 <p>Stable Earnings</p> <ul style="list-style-type: none"> Ongoing stable growth with fixed volumes in Japan and overseas Capital equipment is the source of competitive advantage and barriers to entry are high Low ratio of variable costs 	 <p>Capital Efficiency and Turnaround Time on Investment</p> <ul style="list-style-type: none"> Large initial investment, long recovery period

Long-term Vision

Long-term Management Goals toward 2030

Compass Rose 2024



Net sales **¥1 trillion**

Overseas sales ratio **30 %**

Operating profit/Net sales **8 %**

Promote innovation to create new value that resolves the issues of customers and society, and contribute to people's good eating habits and health.

ROIC 9 % or higher

Create high added value and maximize capital efficiency

Nichirei Group Material Matters

Group Targets (KPI)

Creating value in food and health

- Set targets and scope for creating new products and services in each business
- Set quantitative targets for creation of and milestones for the progress of new businesses

Strengthening food processing and production technology capabilities; enhancing logistics services

- EBITDA margin: 12%
- EBITDA CAGR: 7%
- Overseas sales ratio: 30%

Realizing sustainable food procurement and resource recycling

- Rate of procurement from suppliers and OEMs that comply with the Nichirei Group Supplier Guidelines: 100%
- Rate of implementation of ESG due diligence for main raw materials and major suppliers: 100%
- Rate of attendance for the SDGs educational program aimed at realizing a circular economy: 100%
- Rate of waste recycling at all sites: 99%
- Conduct regular water-related risk assessments at all sites, as well as in conservation activities and BCP

Climate change initiatives

- Reduction in CO₂ emissions: 50% (Compared with FY2016; Scope 1 and 2 in Japan)
- Rate of conversion to natural refrigerants
Production equipment (Japan): 100%
Temperature-controlled logistics (Global): 75%

Securing and developing a diverse array of human resources

- Ratio of female directors and female Audit & Supervisory Board members (HD*): 30%
- Ratio of female line managers (HD*): 30%
- * HD: Nichirei Corporation (Holding Company)
- Double investment in human resources by 2030

Note: Nichirei Group Material Matters (Materiality):

<https://www.nichirei.co.jp/english/ir/policy/materiality.html>

- Revised the CSR policy to establish our sustainability policy, the Nichirei Pledge.
- We will promote management with an emphasis on sustainability based on this policy.

■ Nichirei Group Sustainability Policy: The Nichirei Pledge—Making Our Communities More Sustainable—



Creating new value	We constantly strive to create new products and services, while pursuing business activities that help solve issues faced by our customers and communities.
Safe, high-quality products and services	We continuously work to earn the trust of our customers and communities by meeting diverse demands as well as offering safe, stable, and high-quality supply.
Sustainable supply chain and circular economy	We aim to realize an ethical and sustainable supply chain as well as a circular economy by building enduring and positive partnerships, while considering the environment, human rights and working conditions.
Climate change initiatives and biodiversity conservation	We strive to preserve the global environment and biodiversity by reducing greenhouse gas emissions and managing food and water resources appropriately.
Cooperative relationship with communities	We work to develop our communities and resolve social issues as a responsible corporate citizen by engaging in dialogue and close cooperation with our stakeholders.
Diversity and decent work	We respect the diversity of our employees, and strive to ensure occupational health and safety, provide fair treatment and opportunities for personal development, and continuously improve the workplace to enable every employee to thrive.
Good corporate governance	We are committed to employing highly transparent and fair management practices through stakeholder dialogue and information disclosure, while striving for appropriate resource allocation and swift management decisions.
Thorough compliance	We engage only in honest corporate activities that comply with the laws and regulations of each country in which we operate, respecting international norms of behavior and ensuring sound corporate ethics.

FY2023-FY2025 Medium-term Business Plan

Compass Rose 2024

The graphic features the title 'Compass Rose 2024' in a large, black, italicized serif font. The letter 'o' in 'Compass' is replaced by a small black compass rose. The word 'Rose' is followed by a large, faint red compass rose, and the year '2024' is in the same black, italicized serif font. A small red 'N' logo is positioned above the large red compass rose.

Compass Rose:

A figure on a map or nautical chart showing the orientation of north, south, east and west.

**A medium-term business plan serving as
a roadmap to 2024, for assured navigation
toward improvement in corporate value**

Realizing Our Vision for 2030

Compass Rose 2024



Under Medium-term Business Plan Compass Rose 2024, we aim to ramp up sustainability management and improve our social and economic value.

**WeWill
2021**

FY2023-FY2025
Medium-term Business Plan

Compass Rose 2024

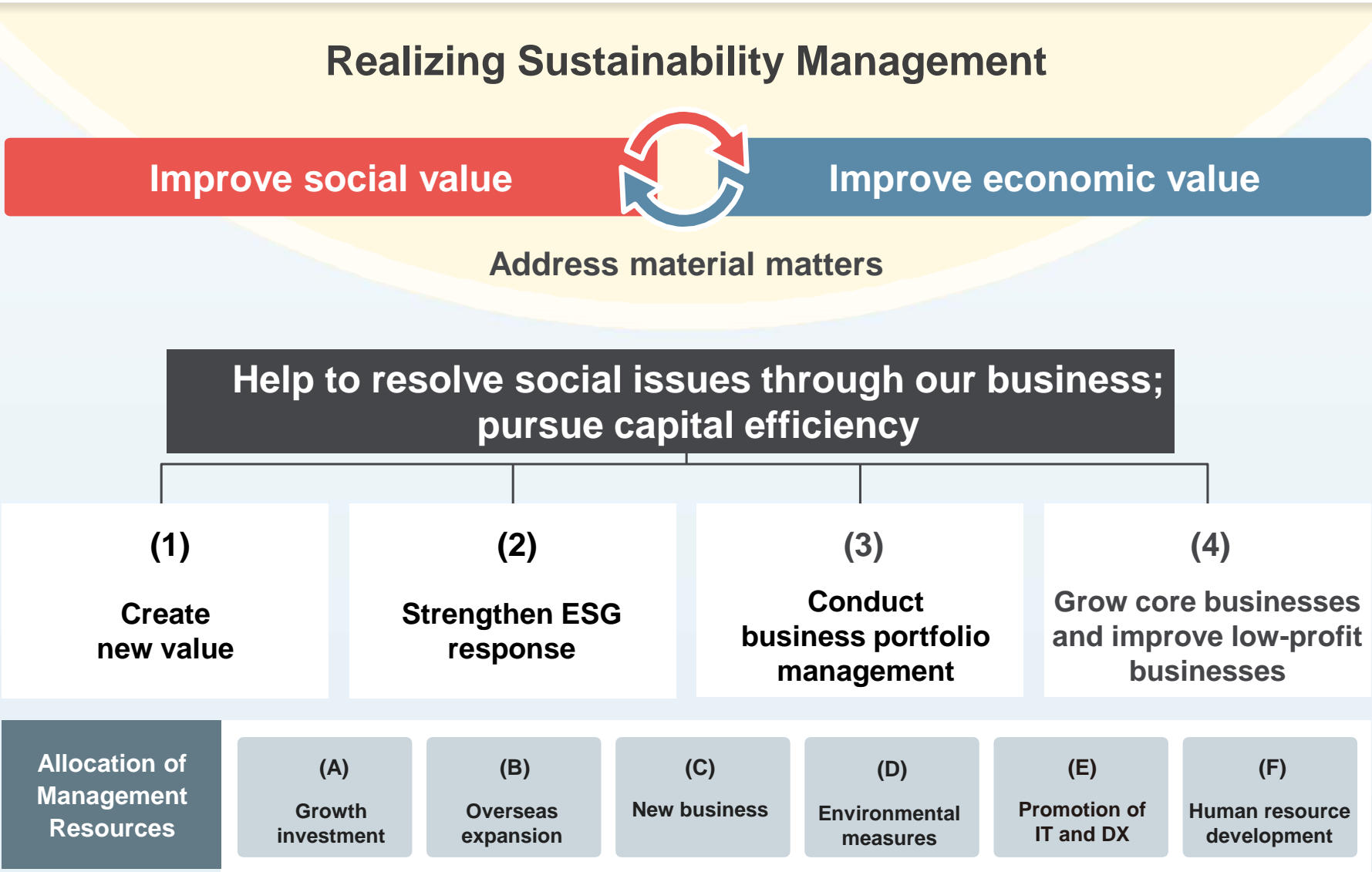
- Ramp up sustainability management and pursue capital efficiency
- A period of transformation toward realizing sustainable growth and our Vision for 2030

2027

- Resolve social issues
- Expand overseas
- Improve capital efficiency

**Long-term
Management Goal:
Realizing Our
Vision for 2030**

**Contribute to
people's good
eating habits
and health**



Help to resolve social issues through our business; pursue capital efficiency

(1) Create new value

- Use cooling power to develop ingredients and provide products that offer new health value.
- Utilize digital technology to provide new services and information that make meals better.
- Promote innovation activities by creating frameworks for generating and cultivating new value.

(2) Strengthen ESG response

- Implement ESG due diligence for core suppliers.
- Expand use of renewable energy.
- Continue to strengthen corporate governance.
- Introduce an ESG index target achievement system for executive compensation.

Help to resolve social issues through our business; pursue capital efficiency

(3) Conduct business portfolio management

- Set cost of capital and target ROIC for each business.
- Promote the PDCA cycle by setting KPIs for profit margin and asset turnover.
- Consider business evaluation and resource allocation based on ROIC.

(4) Grow core businesses and improve low-profit businesses

- Improve profitability of processed foods through pricing strategies.
- Improve capital efficiency of temperature-controlled logistics by increasing third-party logistics, transportation and delivery and proactively utilizing assets held by other companies.
- Restructure marine products business and rebuild the earnings base of the bioscience business.

Allocation of Management Resources

(A) Growth investment

- ¥61.5 billion total Group growth investment
Processed foods: ¥16.5 billion
Temperature-controlled logistics: ¥43.5 billion

(D) Environmental measures

- ¥29.2 billion investment in environmental measures
Installation of solar power generation equipment
Investment in equipment upgrade for conversion to natural refrigerants

(B) Overseas expansion

- ¥130.0 billion in overseas sales (+10%)
Processed foods: ¥51.0 billion
Temperature-controlled logistics: ¥63.8 billion
- 20% overseas sales ratio

(E) Promotion of IT and DX

- ¥8.7 billion in information-related investment
- Promote business innovation using digital technology

(C) New business

- Allocate resources to R&D, DX and marketing to create new value

(F) Human resource development

- Increase number of human resources with skills in digital technology, global operations and sustainability
- Conduct initiatives for reskilling

- Target CAGR of 5.6% for operating profit and 7.4% for EBITDA during the plan period.
- ROIC is expected to decline temporarily due to investment in growth and environmental measures, but we will aim for improvement as we move toward FY2028.

(Billions of yen, except where noted)

Financial Targets	FY2025 plan	vs. FY2022	CAGR
Net sales	660.0	+57.3	3.1%
Overseas sales	130.0	+32.4	10.0%
Operating profit	37.0	+5.6	5.6%
Operating margin	5.6%	+0.4 pts.	—
Ordinary profit	37.8	+6.1	6.1%
Profit attributable to owners of parent	24.5	+1.1	1.6%
Profit per share	¥190 or more		
EBITDA	65.0	+12.5	7.4%
EBITDA margin	9.8%	+1.1 pts.	—
ROIC	7% or higher		
ROE	10% or higher		

Non-Financial Targets	
Creating new value	<ul style="list-style-type: none"> • Provide high-value-added products • Create new businesses
Sustainable procurement	<ul style="list-style-type: none"> • Procurement rate in accordance with guidelines • Implementation rate of ESG due diligence
Climate change countermeasures	<ul style="list-style-type: none"> • 30% reduction in CO₂ emissions • Natural refrigerant ratio
Securing and developing a diverse array of human resources	<ul style="list-style-type: none"> • Ratio of female managers • Investment in education/training

New Medium-term Business Plan Financial Targets (By Segment)

Compass Rose 2024

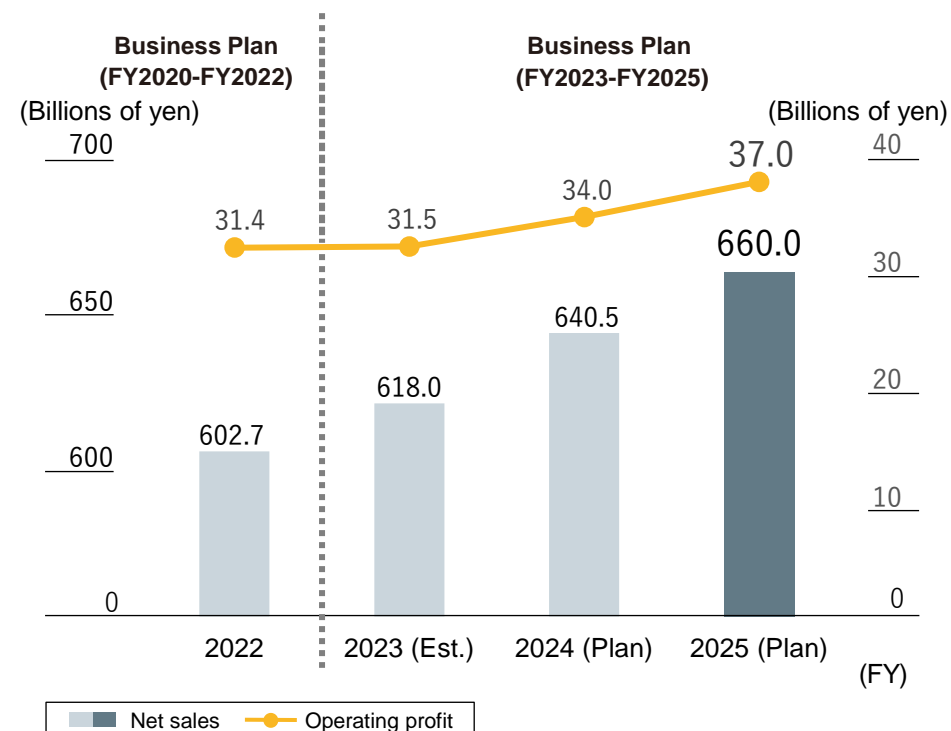


- Increase net sales and operating profit by offsetting increased costs for sustainability and other strategic purposes with business growth.

(Billions of yen)

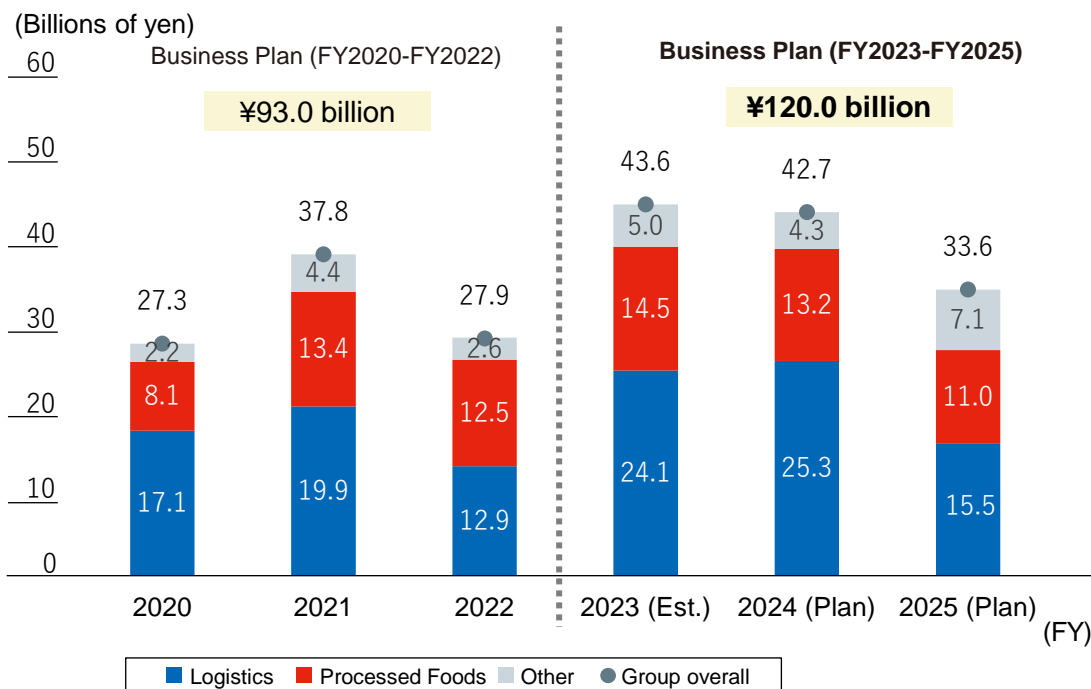
		FY2022 results	FY2025 plan	vs. FY2022	CAGR
Net sales	Processed Foods	244.2	275.0	+30.8	4.0%
	Marine Products	67.7	44.0	-23.7	-13.4%
	Meat and Poultry	80.3	95.0	+14.7	5.8%
	Logistics	224.5	260.0	+35.5	5.0%
	Real Estate	4.3	4.8	+0.5	3.6%
	Other	4.2	6.7	+2.5	17.0%
	Adjustment	-22.6	-25.5	-2.9	—
	Net sales	602.7	660.0	+57.3	3.1%
Operating profit	Processed Foods	14.2	18.4	+4.2	8.9%
	Marine Products	1.0	1.0	+0.0	1.5%
	Meat and Poultry	1.2	2.0	+0.8	19.6%
	Logistics	14.6	16.2	+1.6	3.5%
	Real Estate	1.7	2.2	+0.5	10.0%
	Other	-0.3	0.5	+0.8	—
	Adjustment	-0.9	-3.3	-2.4	—
	Operating profit	31.4	37.0	+5.6	5.6%

Consolidated Net Sales and Operating Profit



- Strengthen competitive advantages by continuing concentrated investment in processed foods and temperature-controlled logistics to increase production capacity and number of storage facilities.
- Increase investment in environmental measures to help achieve a sustainable society.

Capital Expenditures in Each Business Plan



Breakdown of Capital Expenditures by Purpose

Purpose	FY2023 (Est.)	FY2024 (Plan)	FY2025 (Plan)	3-year total
Growth investment	44%	61%	48%	51%
Strengthening infrastructure	36%	24%	35%	31%
Maintenance/Other	20%	15%	17%	18%
(of which, environmental measures)	15%	23%	39%	24%

Breakdown of Capital Expenditures by Location

Location	FY2023 (Est.)	FY2024 (Plan)	FY2025 (Plan)	3-year total
Japan	85%	84%	85%	85%
Overseas	15%	16%	15%	15%

- Planned increase in production capacity for main products and construction of new large-scale refrigerated warehouses in Japan.
- Invest in solar power generation equipment and natural refrigerants as environmental measures.

Capital Expenditures

Main Details	
Processed foods: ¥38.7 billion	<ul style="list-style-type: none"> • Increase production capacity for cooked rice products • Enhance production line for processed chicken and other products • Invest in environmental measures (elimination of CFCs, etc.) • Replace aging equipment
Temperature-controlled logistics: ¥64.9 billion	<ul style="list-style-type: none"> • Build new refrigerated warehouses (metropolitan areas in Japan) • Invest in environmental measures (conversion to natural refrigerants, upgrades to energy-saving equipment, etc.) • Build new refrigerated warehouses (Europe)

Group total: ¥120.0 billion

Details of Investment in Environmental Measures

Investment in environmental measures:
Total ¥29.2 billion (including construction of new refrigerated warehouses)

- Introduction of solar power generation equipment: ¥5.0 billion
- Upgrading to natural refrigerant equipment: ¥11.3 billion
- Upgrading to other energy-saving equipment, etc.

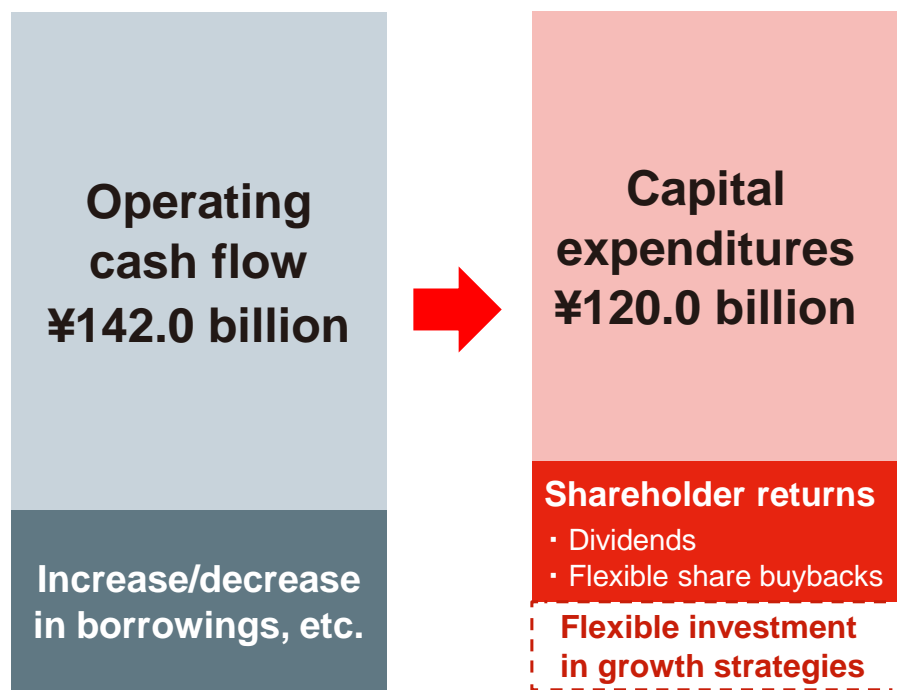
New Medium-term Business Plan (Financial Strategy)

Compass Rose 2024



- Allocate operating cash flow to investment in core businesses for future growth and returns to shareholders.
- Provide ongoing, steady dividend increases with a target dividend on equity (DOE) of 3%.
- Conduct flexible share buy-backs based on a comprehensive assessment of financial condition and the free cash flow outlook.
- Set a D/E ratio of 0.5 as a yardstick from the viewpoint of financial soundness and capital efficiency.

Allocation of Operating Cash Flow (Plan)



Financial Condition and Cash Flow

(Billions of yen)

	POWER UP 2018	WeWill 2021	Compass Rose 2024 (Plan)
Cash flows from investing activities	102.0	119.6	142.0
Cash flows from financing activities	-49.6	-82.5	-109.0
Free cash flow	52.4	37.0	33.0
Dividends paid	11.7	17.7	21.0
Share buybacks	23.0	10.0	
Total return ratio	60%	43%	
D/E ratio (including leased debt)	0.5 times	0.5 times	

Strategies by Business

- Achieve sustainable growth by restoring profitability and establishing new profit drivers.



Rebuild profit base

- | | |
|--|--|
| <ul style="list-style-type: none"> ▶ Adjust prices in line with soaring costs ▶ Acquire new sources of profitability | <ul style="list-style-type: none"> • Adjust selling prices to reflect the impact of high raw material prices and currency translation • Further enhance brand power and added value through digital marketing and product development to establish higher price ranges |
| <ul style="list-style-type: none"> ▶ Improve profit using original technologies | <ul style="list-style-type: none"> • Develop original equipment to achieve differentiation based on quality and reduce costs • Use AI, automation and other advanced technologies to improve production efficiency |

Reorganize supply chain infrastructure

- | | |
|--|--|
| <ul style="list-style-type: none"> ▶ Strengthen production system/raw material procurement, diversify risks | <ul style="list-style-type: none"> • Rice products: Work with producers to build a sustainable raw material procurement system
Achieve both increased production capacity and BCP support to meet brisk demand • Chicken products: Establish a mutually complementary model by increasing the proportion of overseas chicken products that are domestically produced • Raw materials: Shift to domestic in-house production of imported raw materials used in main products |
| <ul style="list-style-type: none"> ▶ Achieve stable operation of production factory in Thailand | <ul style="list-style-type: none"> • Improve efficiency by automating raw material processing and avoid labor shortages by securing staff • Increase production at GFPT Nichirei (Thailand) No. 2 Factory (expanded in 2020) by developing products using new technologies |

Create markets with new added value

▶ Enhance new value-added products (health, individual servings, cooking ingredients)

- Develop products with health value based on our original freezing technologies
- Provide new value in the household-use and commercial-use categories (welfare meal services, etc.) with single-serving products that capture expanding individual demand
- Conduct a further rollout of meal kits for labor-saving freshly cooked meals

▶ Intensively cultivate strategic categories

▶ Ramp up initiatives for growing business formats

- Develop high-value-added products that span strategic categories where Nichirei is strong, such as cooked rice and chicken
- Expand lineup of products with enhanced functionality for the rapidly growing e-commerce and welfare meal business formats

Achieve earnings growth in overseas business

▶ Expand operations in North America

▶ Conduct global rollout of acerola business

- Expand the cooked rice lineup for the vibrant Asian foods market and ensure stable supply by stabilizing the procurement and production system
- Enter new categories to increase share in the North American market
- Gather speed in value offerings for the “clean label” market that leverage the strong antioxidant effect of acerola

Financial Targets

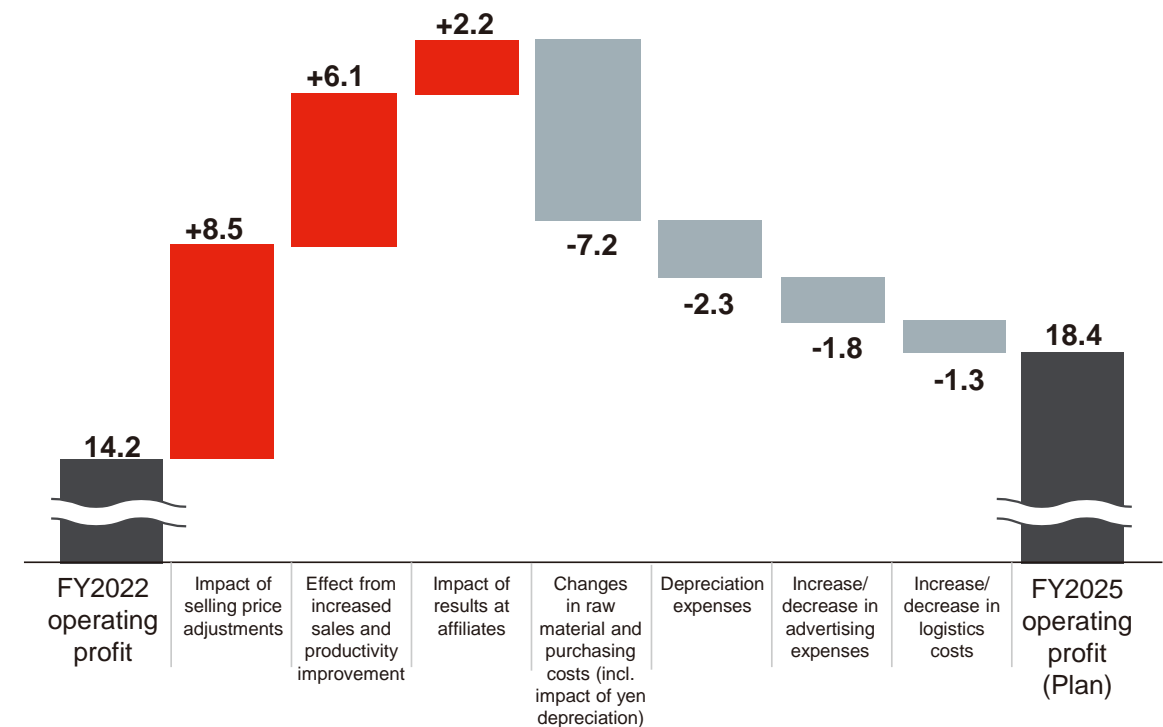
- Aim for operating profit CAGR of 8.9% by responding promptly to rising costs and by increasing sales.

(Billions of yen)

		FY2022 results	FY2025 plan	Increase (Decrease)	CAGR
Processed Foods	Net sales	244.2	275.0	+30.8	4.0%
	Household-use Prepared Foods	76.8	85.2	+8.4	3.5%
	Commercial-use Prepared Foods	92.6	102.8	+10.2	3.5%
	Processed Agricultural Products	20.0	21.8	+1.8	3.0%
	Overseas	40.8	51.0	+10.2	7.7%
	Other	14.0	14.2	+0.2	0.6%
	Operating profit	14.2	18.4	+4.2	8.9%

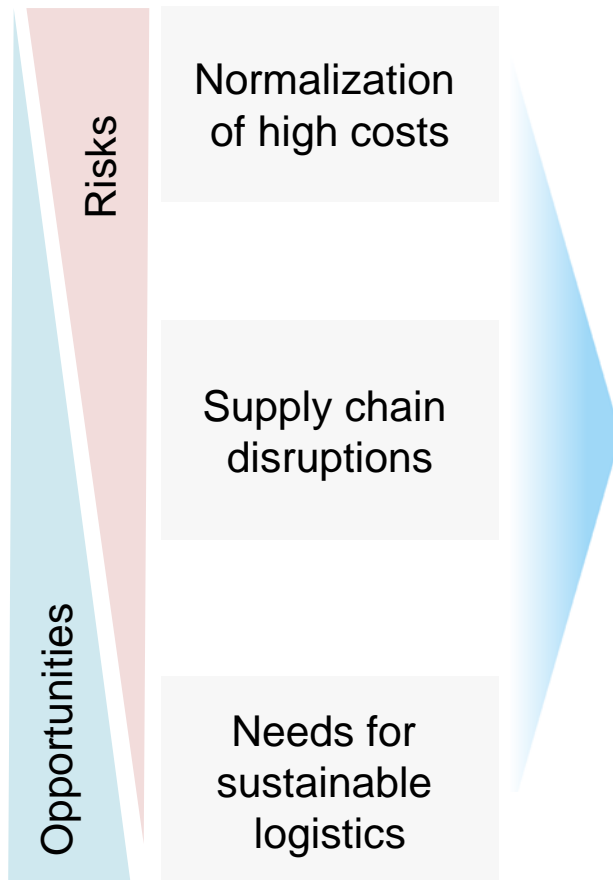
Main Factors Increasing/Decreasing Operating Profit during the Medium-term Business Plan

(Billions of yen)



- Help to resolve social issues and strengthen the business foundation for the next generation to improve future capital efficiency.

Business Risks and Opportunities



Compass Rose 2024 Basic Strategies

Domestic business

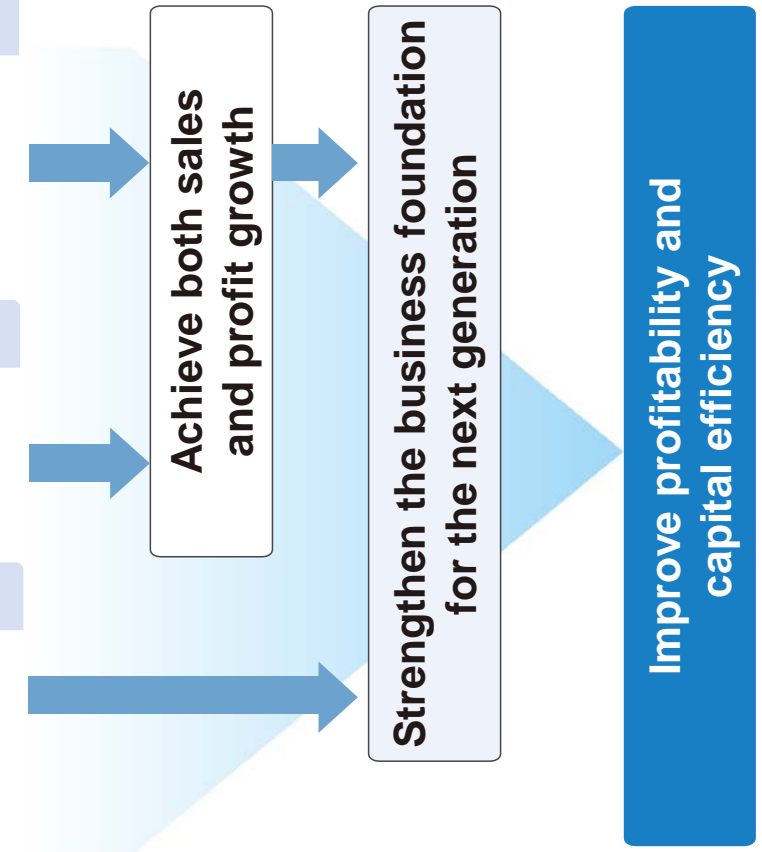
- ▶ Establish a frozen food logistics platform
- ▶ Enhance trunk-route transport functions
- ▶ Strengthen infrastructure in metropolitan areas
- ▶ Maximize the effectiveness of our nationwide network

Overseas business

- ▶ Add new bases in major European regions
- ▶ Strengthen our wide-range transport network in Europe
- ▶ Expand in China and ASEAN

Initiatives for sustainable growth

- ▶ Develop technical infrastructure (enhance business process innovation and engineering)
- ▶ Help resolve social issues in the industry (address the 2024 problem,* elimination of CFCs, decarbonization, etc.)
- ▶ Make capital investments that will lead to improved capital efficiency in the next medium-term business plan



* Foreseen shortage of drivers following introduction of mandatory new limits on overtime in 2024

(Domestic) Strengthen the business foundation for the next generation

- ▶ Establish a frozen food logistics platform
 - ▶ Enhance trunk-route transport functions
 - ▶ Strengthen infrastructure in metropolitan areas
 - ▶ Maximize the effectiveness of our nationwide network
- Achieve high-level utilization of warehouse storage capacity by increasing the amount of chilled and processed products handled
 - Invest in increasing capacity in metropolitan areas and develop gateway functions
 - Grow asset-light businesses such as lead logistics provider (LLP), transport and cross docking businesses
 - Expand warehouse storage capacity under management by proactively utilizing assets held by other companies

(Overseas) Achieve both sales and profit growth

- ▶ Add new bases in major European regions
 - ▶ Strengthen our wide-range transport network in Europe
 - ▶ Expand in China and ASEAN
- Netherlands: Expand port business in tandem with port warehouse capacity expansion
 - UK: Leverage the effects of the acquisition of Norish PLC and expand business through further capital investment
 - Expand our regional transportation and delivery network through high-level cooperation across Germany and Poland
 - Expand business outside East China (China); expand integrated logistics services by enhancing coordination between storage and transportation functions (ASEAN)

Initiatives for sustainable growth

- ▶ Develop technical infrastructure (enhance business process innovation and engineering)
 - ▶ Help resolve social issues in the industry (address the 2024 problem, elimination of CFCs, decarbonization, etc.)
- Gain a competitive advantage by establishing a business infrastructure that addresses the 2024 problem*
 - Promote environmental measures such as reducing CO₂ emissions and converting to natural refrigerants
 - Accelerate digitalization and proactively introduce automation and labor-saving technology
- * Foreseen shortage of drivers following introduction of mandatory new limits on overtime in 2024

▶ Maximize the effectiveness of our nationwide network

Kobe Rokko Distribution Center (Tentative Name)



Storage of juice and dairy products in the Kansai region

Overview	
Location	Higashinada-ku, Kobe-shi
Scheduled start of operations	October 2023
Total investment	¥9.0 billion
Capacity	22,000 tons
Truck berths	12

▶ Address the 2024 problem

Japan's largest trailer, able to carry a 24-pallet load



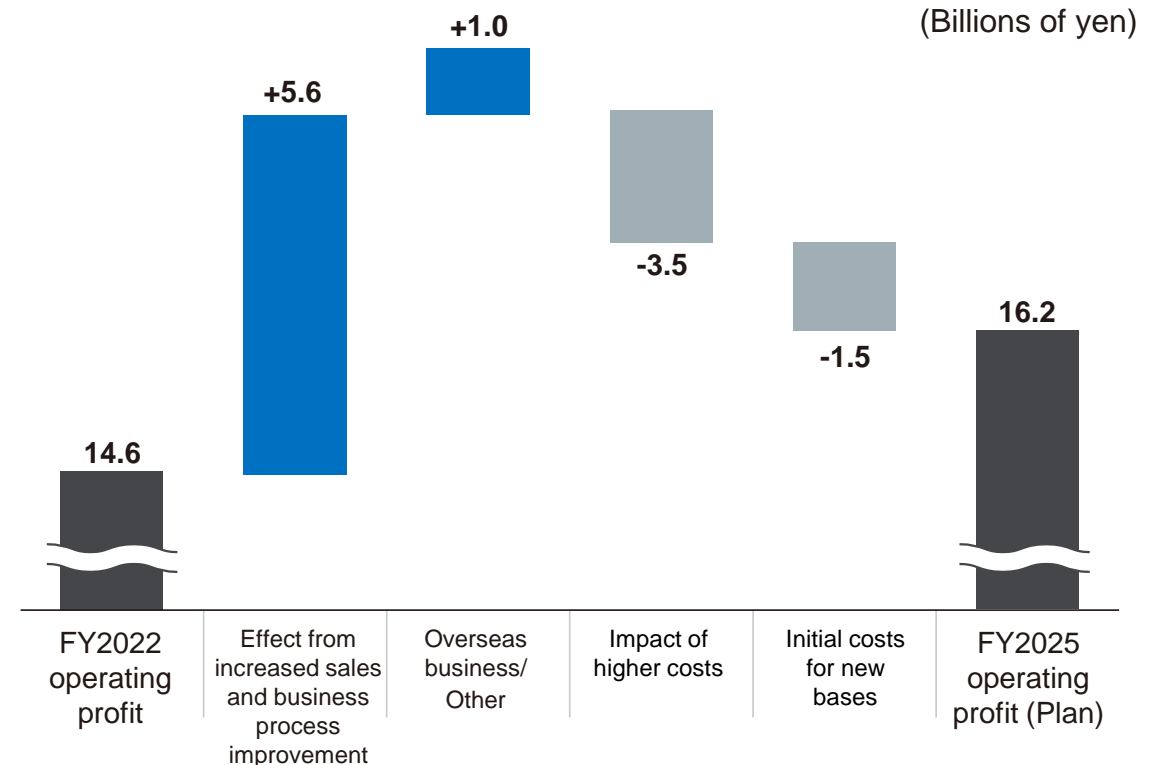
Financial Targets

- Although the increase in operating profit will be slight in Japan due to upfront investment, aim to achieve greater growth in profit overseas for stable profit growth overall.

(Billions of yen)

		FY2022 results	FY2025 plan	Increase (Decrease)	CAGR
Logistics	Net sales	224.5	260.0	+35.5	5.0%
	Japan	174.4	191.6	+17.2	3.2%
	Overseas	45.9	63.8	+17.9	11.6%
	Other/Intersegment	4.3	4.6	+0.3	2.6%
	Operating profit	14.6	16.2	+1.6	3.5%
	Japan	13.4	14.0	+0.6	1.4%
	Overseas	2.1	3.2	+1.1	15.5%
	Other/Intersegment	-0.9	-1.0	-0.1	—

Main Factors Increasing/Decreasing Operating Profit during the Medium-term Business Plan



- Shift to a stable profit structure through business restructuring.
- Concentrate management resources on competitive products to improve capital efficiency and profitability.

(Billions of yen)

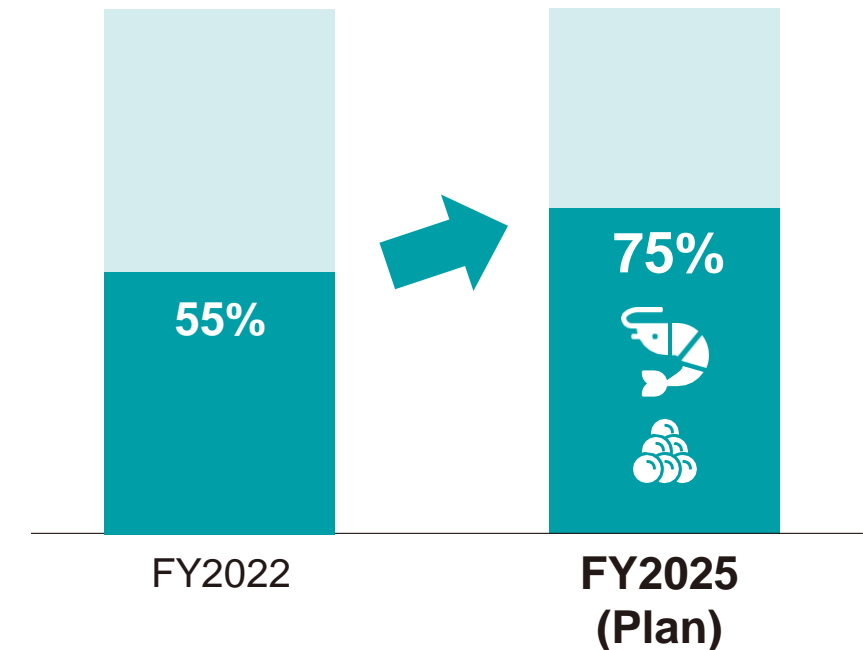
		FY2022 results	FY2025 plan	Increase (Decrease)	CAGR
Marine Products	Net sales	67.7	44.0	-23.7	-13.4%
	Operating profit	1.0	1.0	+0.0	1.5%

Details of Restructuring

- Reduce handling of products in low-profit categories
- Concentrate management resources on products with advantages in procurement, processing and sales, and use less capital
- Increase MSC/ASC certified products handled
- Ramp up overseas sales in China and North America

Change in Product Mix

Increase proportion of main categories



- Expand sales of differentiated products using “kodawari” ingredients*.
- Focus on improving profitability by strengthening processing and development functions.

*“Kodawari” ingredients are distinctive ingredients selected in line with the six keywords of good taste, safety, consumer trust, freshness, healthy, and environmentally friendly.

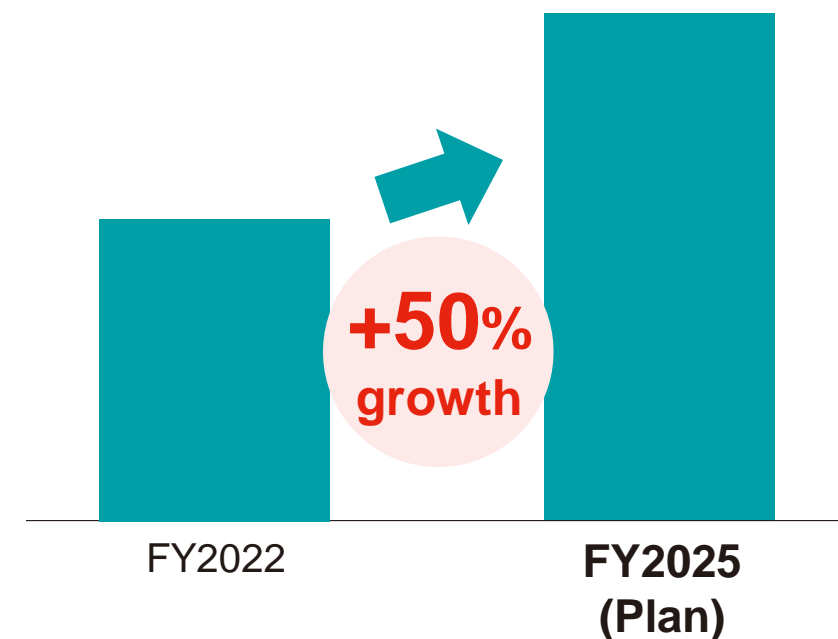
(Billions of yen)

		FY2022 results	FY2025 plan	Increase (Decrease)	CAGR
Meat and Poultry Products	Net sales	80.3	95.0	+14.7	5.8%
	Operating profit	1.2	2.0	+0.8	19.6%

Details of Main Initiatives

- Expand sales of differentiated products that consider sustainability, such as products with health value and *Junwakei* chicken*
- Expand lineup of products with optimal processing to meet customer needs
- Promote greater logistics efficiency

Change in Sales of Products with Health Value



* The Junwakei is a purely Japanese breed, which has been selectively bred from foundation stock crossed with the 100% Japanese Koyuki and Benisakura chicken breeds at National Livestock Breeding Center Hyogo Farm. The aim was to achieve the meat quality and taste desired by Japanese.

FY2023 Outlook

FY2023 Outlook (Consolidated)

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- Although strategic costs (adjustments) will increase, we expect operating profit to increase year on year due to continued strong performance by temperature-controlled logistics.

(Billions of yen)

	FY2022					FY2023		
	Results	YoY		Compared to previous forecast		Forecast	YoY	
		Variance	% change	Previous forecast	Variance		Variance	% change
Processed Foods	244.2	+18.8	+8%	243.0	+1.2	258.0	+13.8	+6%
Marine Products	67.7	+4.6	+7%	64.0	+3.7	53.1	-14.6	-22%
Meat and Poultry	80.3	-3.8	-5%	82.0	-1.7	85.0	+4.7	+6%
Logistics	224.5	+12.2	+6%	224.0	+0.5	234.0	+9.5	+4%
Real Estate	4.3	-0.3	-7%	4.4	-0.1	4.6	+0.3	+7%
Other	4.2	-0.7	-15%	4.0	+0.2	4.9	+0.7	+17%
Adjustment	-22.6	-0.9	—	-21.4	-1.2	-21.6	+1.0	—
Net sales	602.7	+29.9	+5%	600.0	+2.7	618.0	+15.3	+3%
Processed Foods	14.2	-2.9	-17%	14.5	-0.3	14.5	+0.3	+2%
Marine Products	1.0	+0.4	+83%	1.1	-0.1	1.0	+0.0	+4%
Meat and Poultry	1.2	-0.1	-10%	1.2	-0.0	1.6	+0.4	+37%
Logistics	14.6	+1.5	+12%	14.8	-0.2	15.3	+0.7	+5%
Real Estate	1.7	-0.4	-18%	1.8	-0.1	1.9	+0.2	+15%
Other	-0.3	-0.0	—	-0.4	+0.1	-0.3	+0.0	—
Adjustment	-0.9	-0.1	—	-1.0	+0.1	-2.5	-1.6	—
Operating profit	31.4	-1.5	-5%	32.0	-0.6	31.5	+0.1	+0%
Ordinary profit	31.7	-1.9	-6%	32.3	-0.6	31.9	+0.2	+1%
Profit attributable to owners of parent	23.4	+2.2	+10%	22.5	+0.9	21.2	-2.2	-9%

(Yen)

Exchange rates	FY2022 actual*	FY2023 forecast
USD/JPY	109.80	122.00
EUR/JPY	129.88	136.00
THB/JPY	3.44	3.70

* Exchange rate figure for FY2022 is the average for the January–December period.

FY2023 Outlook (Processed Foods Business)

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- To offset the impact of higher costs due to factors including soaring raw material prices and yen depreciation, we will steadily implement profit improvement measures and adjust selling prices to secure a year-on-year increase in operating profit.

(Billions of yen)

		FY2022					FY2023		
		Results	YoY		Compared to previous forecast		Forecast	YoY	
			Variance	% change	Previous forecast	Variance		Variance	% change
Processed Foods	Net sales	244.2	+18.8	+8%	243.0	+1.2	258.0	+13.8	+6%
	Household-use Prepared Foods	76.8	+6.4	+9%	76.5	+0.3	80.4	+3.6	+5%
	Commercial-use Prepared Foods	92.6	+5.7	+7%	93.0	-0.4	97.3	+4.7	+5%
	Processed Agricultural Products	20.0	+0.2	+1%	20.5	-0.5	20.8	+0.8	+4%
	Overseas	40.8	+6.0	+17%	39.0	+1.8	45.4	+4.6	+11%
	Other	14.0	+0.5	+4%	14.0	-0.0	14.1	+0.1	+1%
	Operating profit	14.2	-2.9	-17%	14.5	-0.3	14.5	+0.3	+2%

- We expect an overseas-driven increase in net sales and increased operating profit from firm performance both in Japan and overseas.

(Billions of yen)

		FY2022					FY2023		
		Results	YoY		Compared to previous forecast		Forecast	YoY	
			Variance	% change	Previous forecast	Variance		Variance	% change
Logistics	Net sales	224.5	+12.2	+6%	224.0	+0.5	234.0	+9.5	+4%
	Japan subtotal	174.4	+2.2	+1%	175.0	-0.6	180.0	+5.6	+3%
	Logistics Network	102.9	+0.1	+0%	103.0	-0.1	106.0	+3.1	+3%
	Regional Storage	71.4	+2.1	+3%	72.0	-0.6	74.0	+2.6	+4%
	Overseas	45.9	+9.4	+26%	44.5	+1.4	49.6	+3.7	+8%
	Other/Intersegment	4.3	+0.7	+19%	4.5	-0.2	4.4	+0.1	+3%
	Operating profit	14.6	+1.5	+12%	14.8	-0.2	15.3	+0.7	+5%
	Japan subtotal	13.4	+1.4	+11%	13.5	-0.1	14.0	+0.6	+4%
	Logistics Network	5.5	+0.4	+8%	5.5	+0.0	5.7	+0.2	+3%
	Regional Storage	7.9	+1.0	+14%	8.0	-0.1	8.3	+0.4	+5%
	Overseas	2.1	+0.7	+47%	1.8	+0.3	2.3	+0.2	+11%
	Other/Intersegment	-0.9	-0.5	—	-0.5	-0.4	-1.0	-0.1	—

- Although net sales of marine products are expected to decrease due to a revised product mix, we expect operating profit to remain unchanged year on year.
- For meat and poultry products, we expect increases in net sales and operating profit from strengthening fresh products produced in Japan and improvement in low-profit products.

(Billions of yen)

		FY2022					FY2023		
		Results	YoY		Compared to previous forecast		Forecast	YoY	
			Variance	% change	Previous forecast	Variance		Variance	% change
Marine Products	Net sales	67.7	+4.6	+7%	64.0	+3.7	53.1	-14.6	-22%
	Operating profit	1.0	+0.4	+83%	1.1	-0.1	1.0	+0.0	+4%
Meat and Poultry	Net sales	80.3	-3.8	-5%	82.0	-1.7	85.0	+4.7	+6%
	Operating profit	1.2	-0.1	-10%	1.2	-0.0	1.6	+0.4	+37%

Factors Increasing/Decreasing Operating Profit (FY2021-FY2023) (Billions of yen)

Processed Foods	
FY2021 operating profit	17.2
Factors for increase	+3.3
Increased revenue	+2.7
Impact of selling price adjustments	+0.4
Improved productivity (including product mix)	+0.2
Factors for decrease	-6.3
Increase/decrease in food material/procurement costs (including cost reductions)	-3.0
Impact of results at affiliated companies	-1.0
Increase in depreciation expenses	-0.9
Increase/decrease in logistics costs	-0.6
Increase in raw material and purchasing costs due to yen depreciation	-0.4
Others	-0.4
FY2022 operating profit	14.2
Factors for increase	+9.3
Impact of selling price adjustments	+6.4
Increased revenue	+1.8
Impact of results at affiliated companies	+0.8
Improved productivity (including product mix)	+0.3
Factors for decrease	-9.0
Increase/decrease in food material/procurement costs (including cost reductions)	-4.2
Increase in raw material and purchasing costs due to yen depreciation	-2.4
Increase/decrease in logistics costs	-0.8
Increase/decrease in advertising and sales promotion expenses	-0.7
Increase in depreciation expenses	-0.6
Others	-0.3
FY2023 operating profit forecast	14.5

Logistics	
FY2021 operating profit	13.1
Factors for increase	+2.6
Effect on results from increase in cargo collection costs (including cross docking)	+1.7
Streamlining of transport business	+0.4
Operational improvements	+0.3
Others	+0.2
Factors for decrease	-1.1
Increase in electricity charges (net)	-0.6
Startup costs for new locations	-0.3
Increase in transport and delivery costs (net)	-0.1
Increase in work outsourcing costs (net)	-0.1
FY2022 operating profit	14.6
Factors for increase	+1.8
Effect on results from increase in cargo collection costs (including cross docking)	+1.1
Operational improvements	+0.3
Streamlining of transport business	+0.3
Others	+0.1
Factors for decrease	-1.1
Increase in electricity charges (net)	-0.7
Increase in transport and delivery costs (net)	-0.3
Increase in work outsourcing costs (net)	-0.1
FY2023 operating profit forecast	15.3

Factors Affecting Non-operating Income and Expenses/Extraordinary Income or Loss (Billions of yen)

	FY2022		FY2023	
	Results	YoY	Forecast	YoY
Non-operating income and expenses	0.2	-0.3	0.4	+0.1
Main items				
Financial account balance	0.2	+0.1	0.2	-0.0
Share of (profit) loss of entities accounted for using equity method	0.1	-0.2	0.4	+0.2
Extraordinary income or loss	3.4	+5.3	-0.7	-4.1
Main items				
Gain on sales of investment securities	3.9	+3.7	—	-3.9
Loss on sales of non current assets and retirement of non-current assets	-1.2	+0.1	-0.6	+0.6
Impairment loss	-0.1	+1.0	-0.1	+0.0
Compensation for expropriation	1.2	+0.6	—	-1.2

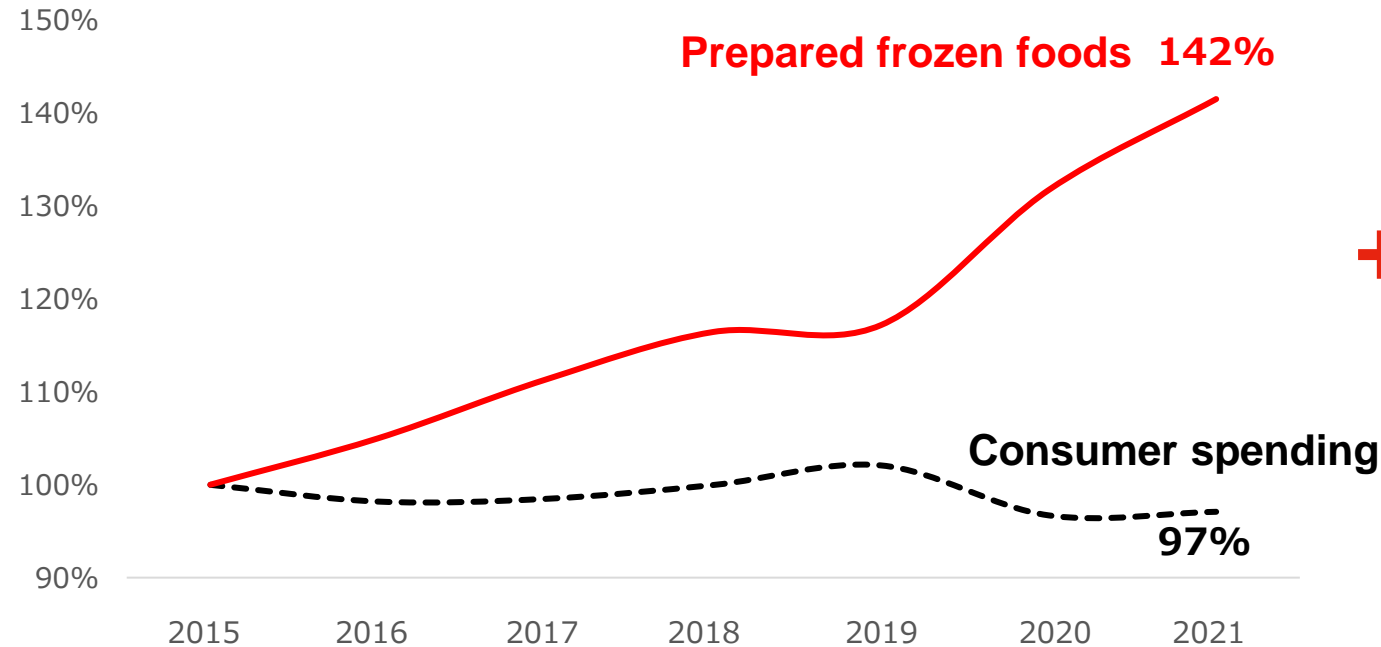
Note: Details of extraordinary income (FY2022 results)

Gain on sales of investment securities: ¥3.9 billion

Mainly gain on sales of shares of the startup company in India in which the Company had invested

Appendix

An Expanding Market for Frozen Foods



Macroeconomic Changes

- Chronic labor shortages
- Growth in dual-income households
- Rapidly super-aging society
- Increase in single-person households

Changes due to COVID-19

- More occasion to eat at home
- Post-restriction rebound in travel and restaurant consumption
- Hybrid work styles that combine telework and office time

By capturing changes in the “new normal” and offering the functional value demanded, frozen foods are further expanding their sphere of use.

Performance under Each Medium-term Business Plan

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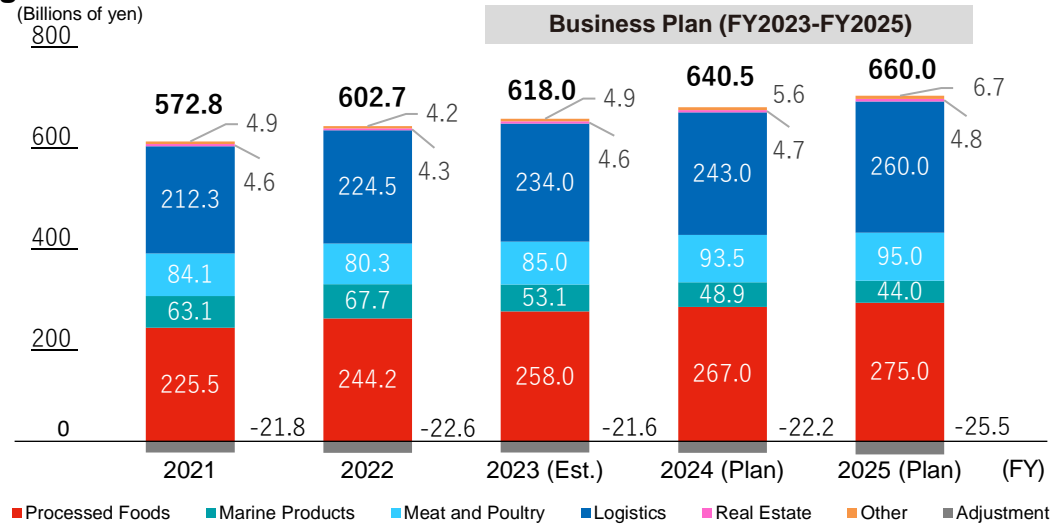
(Billions of yen, except where noted)		Business Plan (FY2011-FY2013)			Business Plan (FY2014-FY2016)			Business Plan (FY2017-FY2019)			Business Plan (FY2020-FY2022)			New Business Plan (FY2023-FY2025)		
		FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023 (Est.)	FY2024 (Plan)	FY2025 (Plan)
	Processed Foods	161.9	174.2	161.6	180.7	193.9	199.2	205.0	220.7	226.6	234.8	225.5	244.2	258.0	267.0	275.0
	Marine Products	66.8	65.7	63.7	68.6	68.7	68.8	69.4	71.5	71.2	65.8	63.1	67.7	53.1	48.9	44.0
	Meat and Poultry	78.3	75.6	75.5	80.1	89.5	92.0	88.1	90.4	91.1	88.3	84.1	80.3	85.0	93.5	95.0
	Logistics	139.4	149.5	156.4	168.4	178.3	184.9	186.9	195.1	201.0	206.5	212.3	224.5	234.0	243.0	260.0
	Real Estate	6.6	4.9	4.7	5.0	4.7	4.6	4.6	4.9	4.8	5.0	4.6	4.3	4.6	4.7	4.8
	Other	6.2	6.0	5.8	3.7	4.4	5.2	4.5	5.3	5.8	5.7	4.9	4.2	4.9	5.6	6.7
	Adjustment	-21.5	-21.0	-20.0	-19.1	-19.6	-19.4	-18.9	-19.9	-20.4	-21.2	-21.8	-22.6	-21.6	-22.2	-25.5
Net sales		437.8	454.9	447.7	487.4	520.0	535.4	539.7	568.0	580.1	584.9	572.8	602.7	618.0	640.5	660.0
	Processed Foods	4.6	5.2	6.0	3.4	5.4	8.0	13.9	14.6	14.6	16.7	17.2	14.2	14.5	16.0	18.4
	Marine Products	0.6	0.2	0.1	0.4	0.2	0.7	0.8	0.3	0.2	0.4	0.5	1.0	1.0	1.0	1.0
	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	1.2	1.6	1.9	2.0
	Logistics	7.3	7.4	8.6	8.9	8.7	10.0	10.6	11.3	11.4	11.8	13.1	14.6	15.3	15.1	16.2
	Real Estate	3.6	2.4	2.3	2.4	2.1	2.2	2.1	2.2	2.1	2.0	2.0	1.7	1.9	2.0	2.2
	Other	0.4	0.5	0.4	0.4	0.6	0.9	0.6	0.8	0.3	-0.3	-0.3	-0.3	-0.3	0.0	0.5
	Adjustment	-0.2	0.0	0.0	0.1	0.0	-0.5	-0.3	-0.5	-0.6	-0.6	-0.8	-0.9	-2.5	-2.0	-3.3
Operating profit		16.7	16.2	17.9	15.8	17.4	21.6	29.3	29.9	29.5	31.0	32.9	31.4	31.5	34.0	37.0
Ordinary profit		16.1	15.3	17.2	14.4	16.9	21.4	29.1	30.7	29.9	31.8	33.5	31.7	31.9	34.7	37.8
Profit attributable to owners of parent		4.0	7.9	9.8	8.9	9.5	13.5	18.8	19.1	19.9	19.6	21.2	23.4	21.2	22.4	24.5
Total assets		284.6	290.5	297.9	318.5	342.0	338.5	346.2	367.3	377.3	390.0	405.7	427.6			
Capital expenditures (including leased assets)		22.1	12.2	13.2	24.0	24.2	16.2	13.9	25.0	24.1	27.3	37.8	27.9	43.6	42.7	33.6
ROIC (%)																7% or higher
Capital adequacy ratio (%)		40.4	40.2	41.3	41.9	43	44.4	46	44.3	46.9	47.3	50.1	49.4			
Operating profit margin (%)		3.8	3.6	3.8	3.1	3.3	4	5.4	5.3	5.1	5.3	5.8	5.2	5.1	5.3	5.6
ROE (%)		3.4	6.8	8.2	6.9	6.8	9.1	12.1	11.9	11.7	10.9	10.9	11.3			10% or higher
Earnings per share (Yen)		13.08	26.35	33.4	31.12	33.29	94.3	135.11	142.23	149.65	147.16	159.19	176.72			
Dividends per share (Yen)		9	9	10	10	10	12	28	30	32	42	50	50	52		
Stock price (Yen, at fiscal year end)		355	388	561	436	674	916	2,754	2,940	2,728	3,055	2,849	2,369			

Notes: 1. Capital expenditures include intangible assets.

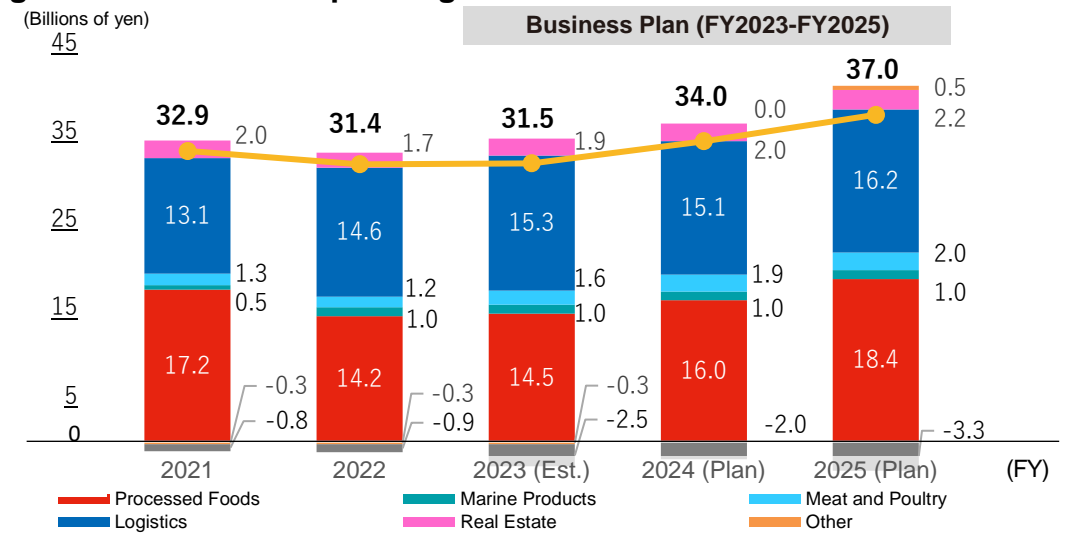
2. Figures from FY2013 reflect a change in the basis for recording sales in the processed foods business (the portion that had previously been recorded as promotional expenses was excluded from net sales).

3. Figures up to and including FY2016 are prior to a share consolidation.

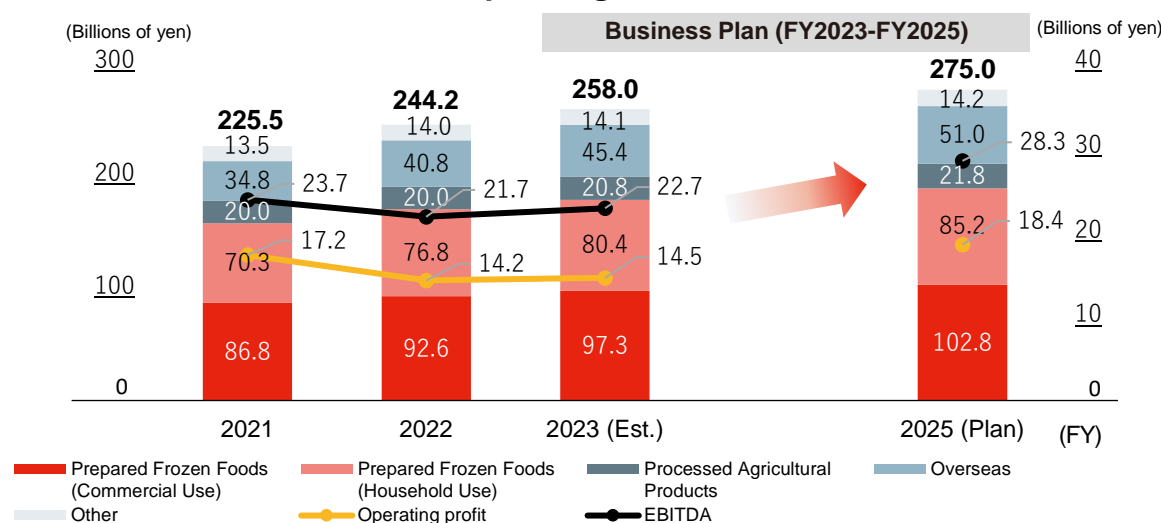
Segment Breakdown: Net Sales



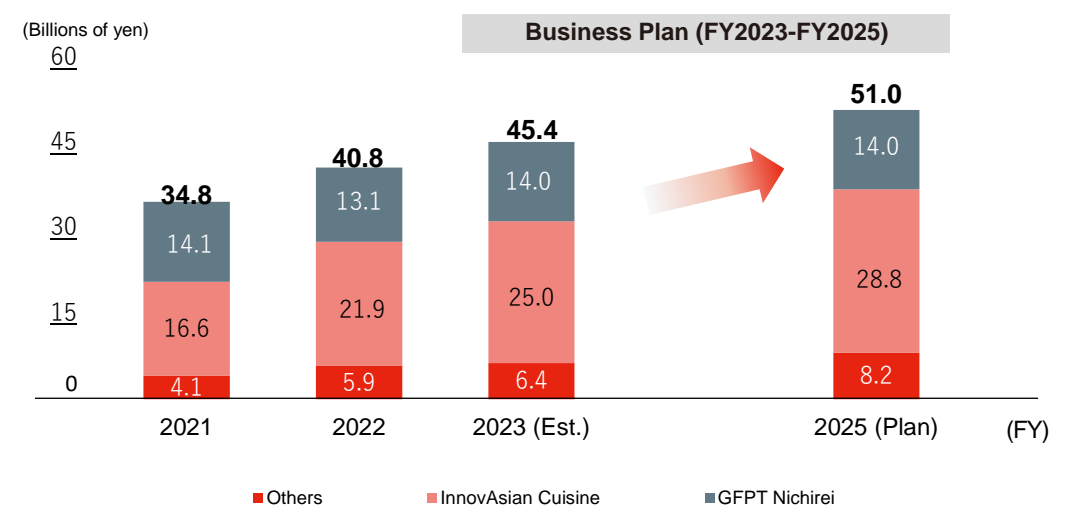
Segment Breakdown: Operating Profit



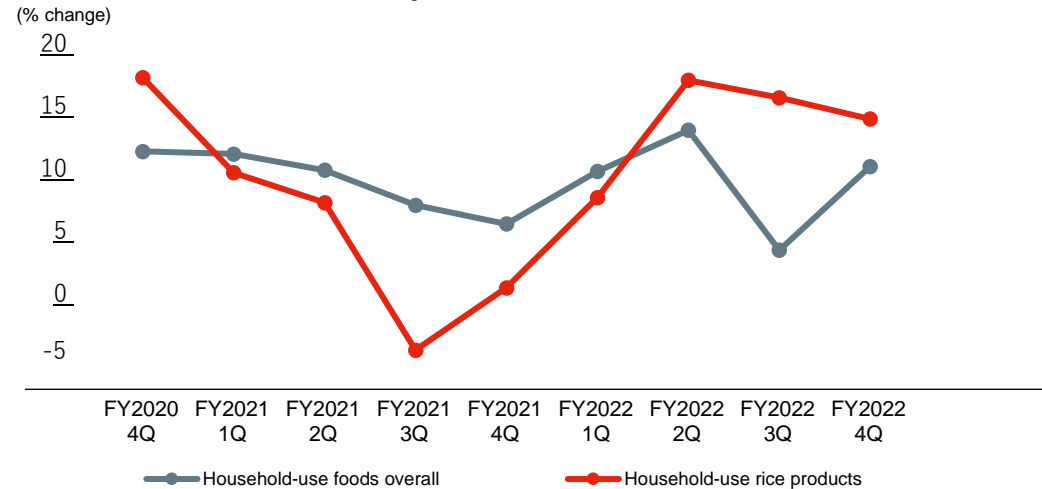
Processed Foods: Net Sales, Operating Profit and EBITDA



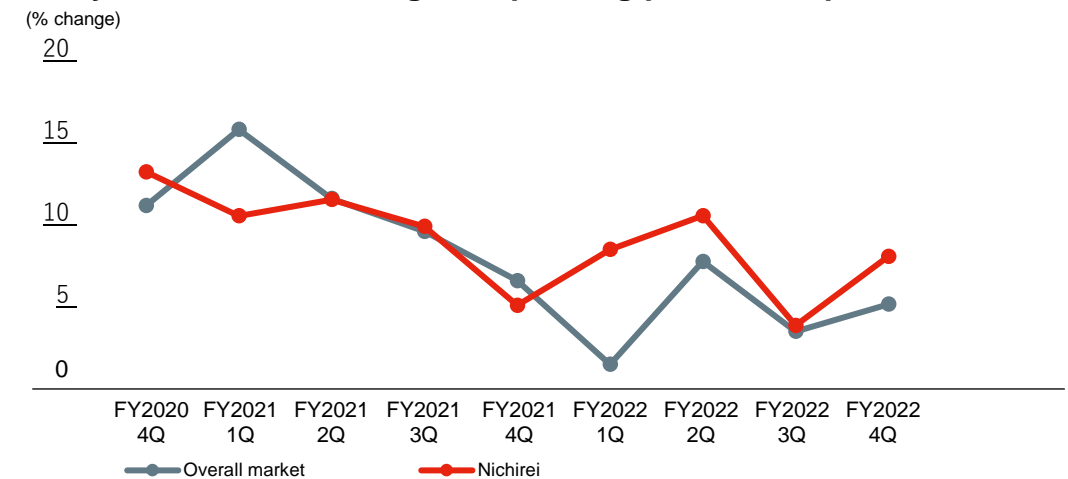
Processed Foods: Overseas Sales



Quarterly Year-on-Year Change in Sales of Nichirei's Household-use Prepared Frozen Foods

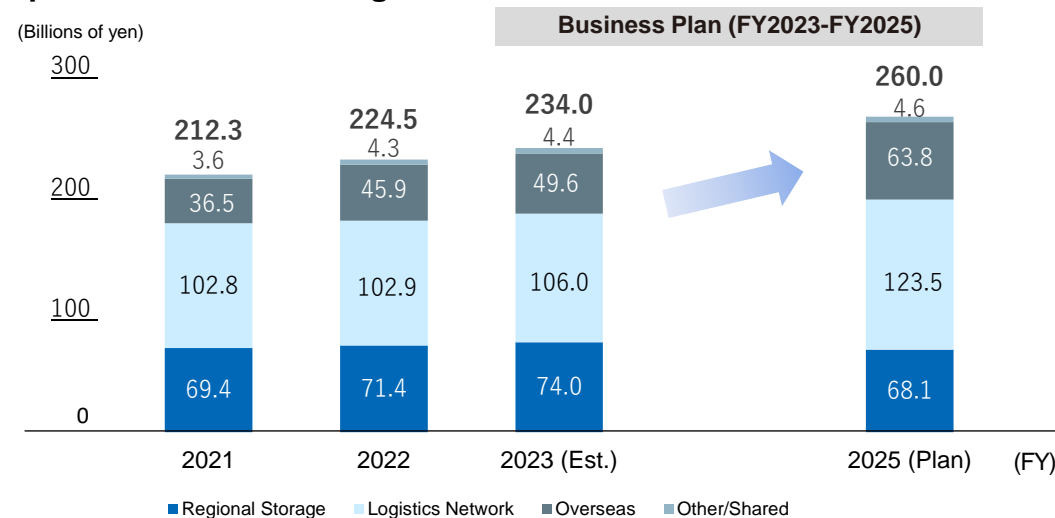


SCI Consumer Panel on Household-use Prepared Frozen Foods: Quarterly Year-on-Year Change in Spending per 100 People

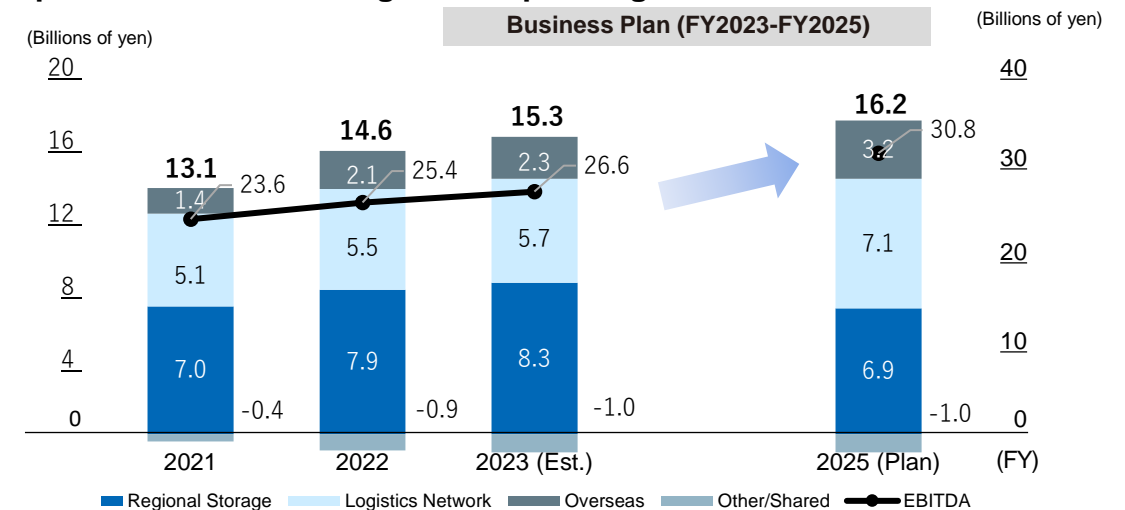


Source: INTAGE Inc. SCI consumer panel (Spending per 100 people on prepared frozen foods. Excludes purchases through consumer cooperatives.)

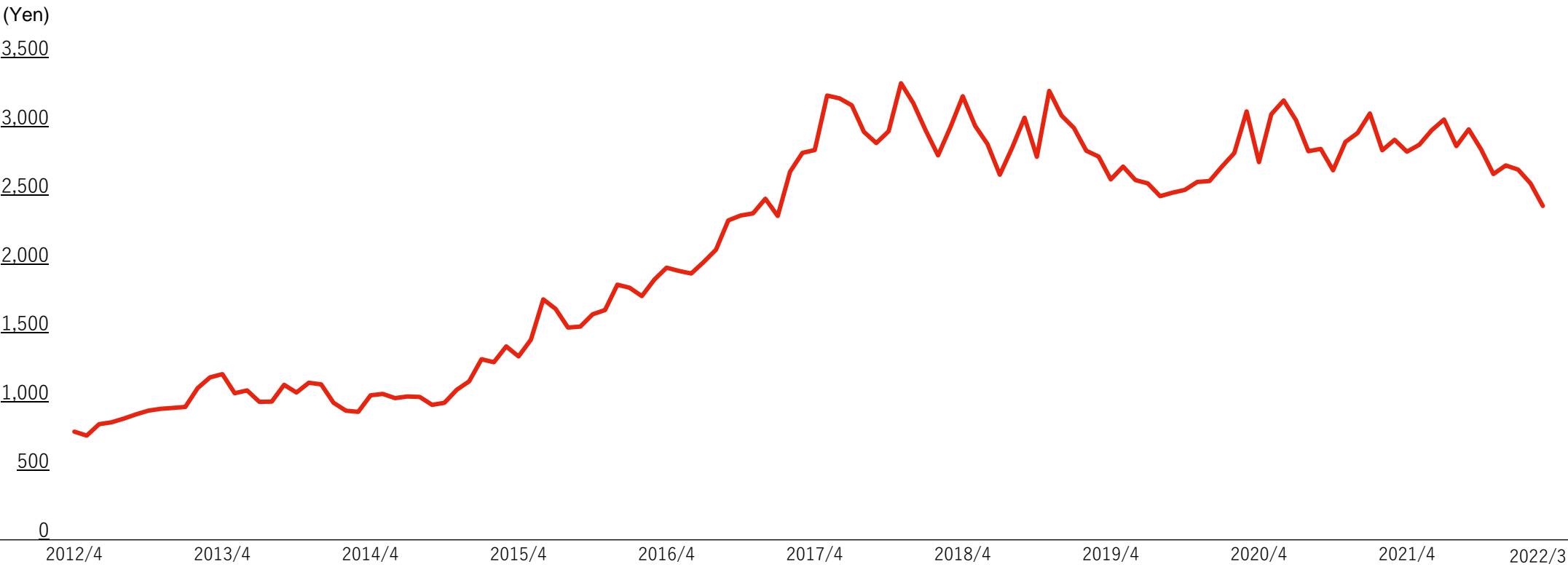
Temperature-controlled Logistics: Net Sales



Temperature-controlled Logistics: Operating Profit and EBITDA



Share Price over the Past Ten Years



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- (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.

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