

## New TGL Plan

### True Global Links True Global Leader

2006 2007 2008

First three years of the New TGL Plan: Increase profitability of management and business structures.

2009 2010 2011

Second three years of the New TGL Plan: Achieve good results and realize the "two TGLs."

The medium-term management plan, the New TGL Plan (FY 2006-2011) aims to enhance the business spheres of the Nissui Group to a higher state-of-the-art level and establish a firm groundwork for the next 100 years.

Under the strategic framework of the New TGL Plan of (1) Pursuit of resources and markets overseas, (2) Expansion of the aquaculture and functional materials businesses, and (3) Transformation of the mechanism of the domestic core businesses; the Nissui Group in the first three years (FY 2006 - 2008) of the Plan, had been aggressively engaged in business integrations/eliminations and M&As for the purpose of achieving a high-profit management structure and business structure. In the second three years (FY 2009 - 2011), we intend to further polish our integrated business, elevate our functions and technology to the state-of-the-art level; and provide value, which has been attained from marine products, not only in foods but also in the functional materials, pharmaceuticals, health foods and all of our customers' living scenarios. As for our business targets for the final year of the Plan (FY 2011), we are aiming for consolidated sales exceeding 600 billion yen and a consolidated margin of operating income to sales of over 5%.

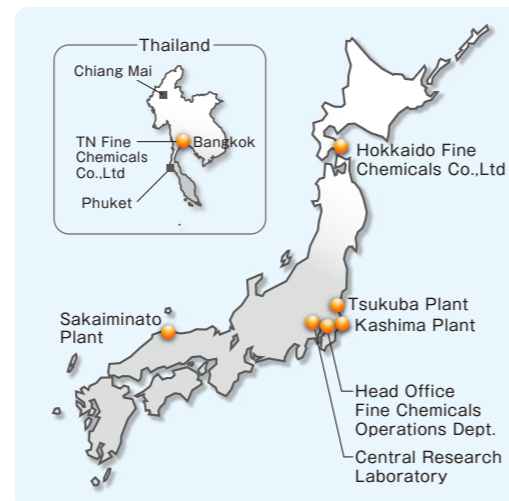
### Tasks executed in FY 2008

During the fiscal year ended March 2009, which coincided with the third year of the New TGL Plan, we continued from the previous fiscal year to aggressively execute business integrations/eliminations and M&As, under the banner of "achieving a high-profit management and business structure," which had been our goal during the first half of the New TGL Plan. In order to reinforce our Fine Chemicals Business, in October 2008 at our Kashima Plant, we upgraded the fish oil plant and newly established the chemical products and the oligosaccharide plants. In April 2009, we acquired through a transfer of business the fish oil storage and functional fish oil manufacturing businesses of Nihon Kagaku Shiryō and assumed these businesses as Hokkaido Fine Chemicals Co., Ltd. In October 2008, we established a frozen food plant at Hachikan Co., Ltd. as means to reinforce our manufacturing function. This was done as part of the plan for reorganizing the Group's domestic food production functions, which also involved closing Hokkaido Teion Shokuhin K.K. and transferring its production function to Hachikan. The new plant at Hachikan is a state-of-the-art production base centering on commercial frozen foods that also takes into account the concept of food defense. As part of our reinforcement of our access to domestic resources and marine products distribution network, Kyowa Suisan Co., Ltd. became a consolidated subsidiary. And in March 2009, we launched a tender offer for the shares of Daisui Co., Ltd. and made the company an affiliate accounted for by the equity method.

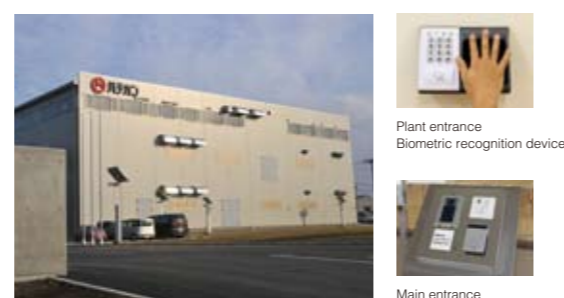
### Looking back on FY 2008

Although we had been actively engaged in business integrations/eliminations, M&As and capital investments and loans during the first three years of the Plan, our performance turned out to be disappointing for the two consecutive years ending March 2008 and March 2009. The strategic framework of the New TGL Plan had been to (1) Pursue resources and markets overseas, (2) Expand the aquaculture and functional materials businesses, and (3) Transform the mechanism of the domestic core businesses. However, we were unable to achieve the expected returns on the investments made according to these strategies and compounded with the soar in the price of main and auxiliary materials such as surimi, we failed to heighten the added value of our products, which ultimately led to raising the break-even point of our businesses.

#### Bases of the Fine Chemicals Business



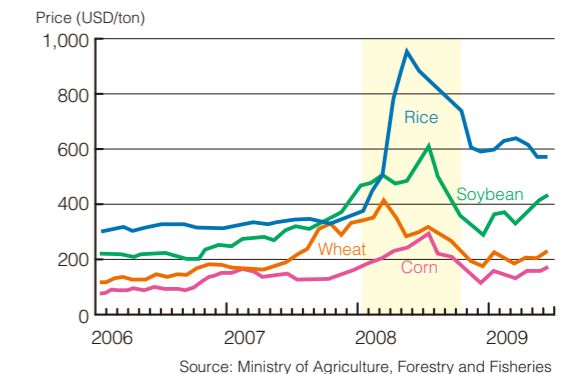
#### New frozen food plant at Hachikan Co., Ltd. Food Defense



### Forecast of environmental changes

Despite the temporary lull that seems to have taken effect on the wave of soaring grain prices as a result of the plentiful harvests around the world, the demand for grain, mainly among the developing countries, remains strong and prices once again seem to be on the rise. Marine products, on the other hand, are relatively expensive compared to other sources of protein such as chicken; and despite the current harsh economic climate, demand for marine products will remain strong from a medium- to long-term perspective as is the case with grains, and if nothing is done, supply will be unable to keep up with demand. Among the foodstuffs of grain, meats and fish, fish alone is a natural product and as the total catch of natural fish has not increased in the past 20 years, the increasing demand for fish has been met with the help of cultured fish. Currently, the percentage of cultured fish has already exceeded 40%. In the future, demand for marine products associated with quality (i.e. sustainable or traceable fish) is expected to rise.

#### Trends in international prices of grains and price indices

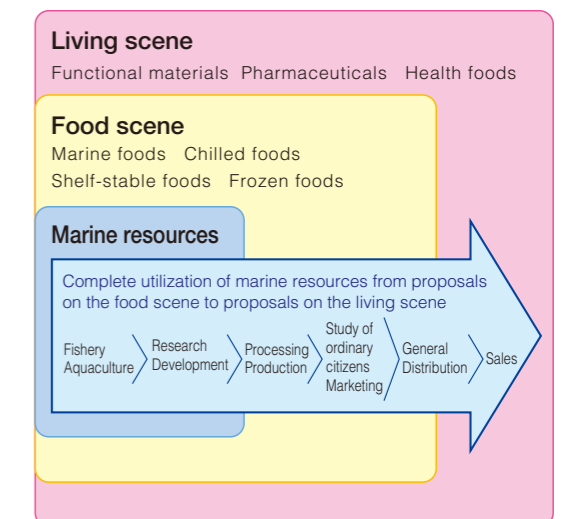


### Initiatives to be taken in the next three years of the New TGL Plan

Based on the analysis of our business during the first three years of the New TGL Plan and taking into account the forecast of environmental changes, the Nissui Group has decided, starting from the fiscal year ending March 2010, to expand its sphere of activities from *Foods* to *Living*, and thereby create and offer *Value* from marine resource according to the various lifestyles of our customers. The major points of *Reform* in the management plan for the fiscal year ending March 2010 are:

- (1) to shift from being "a manufacturer that brings resources to the dinner table with an integrated business at its core," which had been our previous focus, to becoming "a manufacturer grounded in functions and technology that links resource with everyday life." In other words, by utilizing our functions and technology, we will take the high-quality marine products and expand our product category so that we will be able to provide value to our customers not only in the area of foods but in every life scenario, including functional materials, pharmaceuticals and health foods, etc.; and
- (2) as means to enable (1), we will shift our way of thinking from *quantitative thinking* to *qualitative thinking*. In other words, by incorporating into our work the changes in the values of society and of our customers, we intend to create value on top of the framework, which had been built as an extension of our previous business and operations.

#### Expansion of the Nissui Group's sphere of activities



### In order to bring about Reforms

In March 2009 we conducted an organizational restructuring while at the same time established a new management committee system in order to bring about these *Reforms*.

- (1) Integration of the marketing functions of the Marine Products Business and the Food Products Business. Fisheries & Food Products Business Operation Division was established to integrate the marketing functions of the Marine Products and the Food Products Businesses as well as to assume the supply chain management (SCM) function. By overseeing and promoting the operations of both the Marine Products and Foods Products Businesses (purchasing, procurement, product development, processing, marketing, sales, SCM, Group inventory and credit management), the newly established Division will ensure optimum decision-making for the entire Group and speedy execution of operations.
- (2) Establishment of the Fine Chemicals Business Promotion Council and the R&D Promotion Council. The Fine Chemicals Business Promotion Council and the R&D Promotion Council were established in order to promote the creation of new growth areas.
- (3) Establishment of the Global Group Management Promotion Council. The Global Group Management Promotion Council was established as a function reporting directly to the President in order to simultaneously and homogeneously monitor the current state of management of the overseas consolidated subsidiaries and perform preemptive control over them.

#### The Organization and Assignments that Implement Reforms

