



# Nissui Group New Mid-Term Business Plan



April 3, 2015

<http://www.nissui.co.jp/ir/index.html>

日本水産株式会社

- Review of MVIP2014
- Forecast of Environmental Change & Opportunities
- New Mid-Term Business Plan
- Major Growth Strategy



# Review of MVIP2014

日本水産株式会社

## Basic Management Policy of MVIP2014

We will champion the sustainable utilization of marine resources and the preservation of the earth environment continue to create diverse values from resources including marine resources , and provide individual consumers with safe and high quality products thus helping them to maintain a fit and healthy lifestyle

Putting our thought about what we would like to be in 2014 into each number

**2** : Lower the break-even point and improve the operating margin **by 2 points**

**0** : Go back to **the origin**.

**1** : Become **No.1** in each operational field.

**4** : Become fully aware of the **4 points** required in the formulation of a new medium- term management plan.

- ① Generate results from what we set out to do
- ② Increase the “volume” and “breadth” of periphery business,
- ③ Enhance the image of the Nissui Group
- ④ Improve the financial strength and prepare for the growth after 2015

### 5 Basic Strategies

1. Continue to refine existing businesses and categories
2. Continue to propose new categories responding to the changes.
3. Reinforce access to resources including purchase.
4. Evolve into a value network and increase sophistication.
5. Reinforce sales capacities

### 3 Proposal

- To be a manufactures always one step ahead
1. Create and propose functional value that is embedded in everyday life.
  2. Coexistence with the environment and society
  3. Benefit the mental and physical health.

# Review of MVIP2014 (Consolidated)



| Fiscal Year                | Goal          | 2012         | 2013         | 2014 <sup>※1</sup><br>(Revised Forecast) | +/-         |
|----------------------------|---------------|--------------|--------------|--|-------------|
| Sales Amounts              | <b>600</b> or | <b>566.8</b> | <b>604.2</b> | <b>610</b>                               | <b>10</b>   |
| Foreign Sales Ratio        | % <b>26</b>   | <b>26.0</b>  | <b>30.8</b>  | <b>30.7</b> <sup>※2</sup>                | <b>4.7</b>  |
| Operating Income           | <b>23</b>     | <b>5.8</b>   | <b>13.9</b>  | <b>17.5</b>                              | <b>-5.5</b> |
| <b>EBITDA</b>              | <b>42</b>     | <b>22.6</b>  | <b>30.7</b>  | <b>34.3</b>                              | <b>-7.7</b> |
| Ratio of net interest cost | % <b>9</b>    | <b>31.3</b>  | <b>12.2</b>  | <b>9.5</b>                               | <b>0.5</b>  |
| Equity Ratio               | % <b>20</b>   | <b>11.8</b>  | <b>15.4</b>  | <b>18.5</b>                              | <b>-1.5</b> |
| <b>ROA</b> <sup>※3</sup>   | % <b>7</b>    | <b>2.2</b>   | <b>3.6</b>   | <b>5.0</b>                               | <b>-2.0</b> |
| Cash flow by operation     | <b>35</b>     | <b>15.1</b>  | <b>18.1</b>  | —  |             |
| Interest bearing debt      | <b>230</b>    | <b>262.6</b> | <b>256.1</b> | <b>255</b>                               | <b>25</b>   |

※1 Based on the Press Release on Nov. 5, 2014

※2 3Q Actual

※3 ROA = Ordinary Income + Interest cost / Net Asset

# Review of MVIP2014



## ● Sales and Profit by Business - Region (+/-MVIP2014)

### ➤ Business (billion yen)

| Sales Amount | Marine Product | Food Product | Fine Chemical | Logistics   | Others      | Total        |
|--------------|----------------|--------------|---------------|-------------|-------------|--------------|
| <b>2014</b>  | <b>266.3</b>   | <b>285.3</b> | <b>26.2</b>   | <b>14.4</b> | <b>17.8</b> | <b>610.0</b> |
| <b>MVIP</b>  | <b>250.0</b>   | <b>277.0</b> | <b>38.0</b>   | <b>13.0</b> | <b>22.0</b> | <b>600.0</b> |
| <b>+/-</b>   | <b>16.3</b>    | <b>8.3</b>   | <b>-11.8</b>  | <b>1.4</b>  | <b>-4.2</b> | <b>10.0</b>  |

| Operating Profit | Marine Product | Food Product | Fine Chemicals | Logistics   | Others     | Total       |
|------------------|----------------|--------------|----------------|-------------|------------|-------------|
| <b>2014</b>      | <b>7.4</b>     | <b>6.4</b>   | <b>4.3</b>     | <b>1.7</b>  | <b>0.7</b> | <b>17.5</b> |
| <b>MVIP</b>      | <b>6.0</b>     | <b>9.1</b>   | <b>10.0</b>    | <b>2.0</b>  | <b>0.6</b> | <b>23.0</b> |
| <b>+/-</b>       | <b>1.4</b>     | <b>-2.7</b>  | <b>-5.7</b>    | <b>-0.3</b> | <b>0.1</b> | <b>-5.5</b> |

### ➤ Region (billion yen)

| Sales Amount | Japan        | N. America  | S. America  | Asia        | Europe      | Total        |
|--------------|--------------|-------------|-------------|-------------|-------------|--------------|
| <b>2014</b>  | <b>439.8</b> | <b>81.4</b> | <b>9.4</b>  | <b>11.1</b> | <b>68.3</b> | <b>610.0</b> |
| <b>MVIP</b>  | <b>451.0</b> | <b>63.0</b> | <b>13.0</b> | <b>11.0</b> | <b>62.0</b> | <b>600.0</b> |
| <b>+/-</b>   | <b>-11.2</b> | <b>18.4</b> | <b>-3.6</b> | <b>0.1</b>  | <b>6.3</b>  | <b>10.0</b>  |

| Operating Profit | Japan       | N. America  | S. America | Asia        | Europe     | Total       |
|------------------|-------------|-------------|------------|-------------|------------|-------------|
| <b>2014</b>      | <b>12.8</b> | <b>2.0</b>  | <b>3.5</b> | <b>0.4</b>  | <b>1.8</b> | <b>17.5</b> |
| <b>MVIP</b>      | <b>21.5</b> | <b>2.1</b>  | <b>2.1</b> | <b>0.6</b>  | <b>1.4</b> | <b>23.0</b> |
| <b>+/-</b>       | <b>-8.7</b> | <b>-0.1</b> | <b>1.4</b> | <b>-0.2</b> | <b>0.4</b> | <b>-5.5</b> |

# Review of MVIP2014



## ● Sales and Profit by Business - Region (+/- 2011)

### ➤ Business (billion yen)

| Sales Amount | Marine Product | Food Product | Fine Chmicals | Logisitics  | Others      | Total        |
|--------------|----------------|--------------|---------------|-------------|-------------|--------------|
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| <b>2011</b>  | <b>223.8</b>   | <b>259.0</b> | <b>25.9</b>   | <b>12.4</b> | <b>16.7</b> | <b>538.0</b> |
| <b>+/-</b>   | <b>42.5</b>    | <b>26.3</b>  | <b>0.3</b>    | <b>2.0</b>  | <b>1.1</b>  | <b>72.0</b>  |

| Operating Profit | Marine Product | Food Product | Fine Chmicals | Logistics  | Others     | Total       |
|------------------|----------------|--------------|---------------|------------|------------|-------------|
| <b>2014</b>      | <b>7.4</b>     | <b>6.4</b>   | <b>4.3</b>    | <b>1.7</b> | <b>0.7</b> | <b>17.5</b> |
| <b>2011</b>      | <b>2.0</b>     | <b>3.4</b>   | <b>6.3</b>    | <b>1.7</b> | <b>0.7</b> | <b>9.5</b>  |
| <b>+/-</b>       | <b>5.4</b>     | <b>3.0</b>   | <b>-2.0</b>   | <b>0.0</b> | <b>0.0</b> | <b>8.0</b>  |

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| <b>+/-</b>   | <b>23.7</b>  | <b>27.4</b> | <b>-2.9</b> | <b>1.4</b>  | <b>22.8</b> | <b>72.0</b>  |

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| <b>2011</b>      | <b>12.9</b> | <b>0.5</b> | <b>1.1</b> | <b>-1.2</b> | <b>0.7</b> | <b>9.5</b>  |
| <b>+/-</b>       | <b>-0.1</b> | <b>1.5</b> | <b>2.4</b> | <b>1.6</b>  | <b>1.1</b> | <b>8.0</b>  |

## ■ Business achieved growth

- Domestic Aquaculture Business
- Chilled Food Business
- Business in Europa as a whole

## ■ Business failed to grow

- Aquaculture in Brazil
- Processing Seafood in Germany
- Fisheries in Argentina





# Forecast of Environmental Change & Opportunities

日本水産株式会社

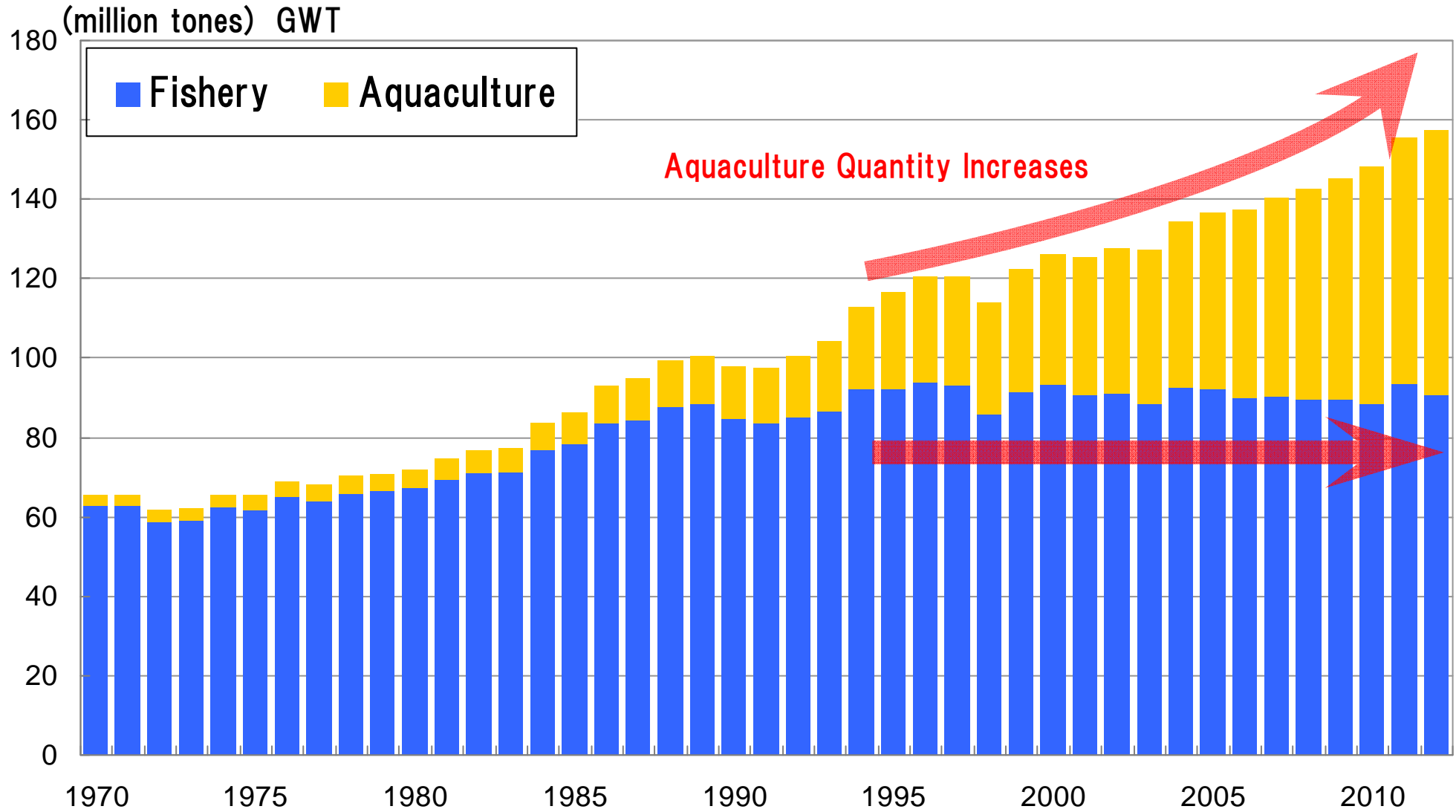
## ● Forecast of Environmental Change & Opportunities

- Marine Resource
- Seafood Consumption
- Population
- Medical Care Cost
- Functional Food

# World Marine Resources①



## ● Expansion of World Fisheries & Aquaculture



Source: FAO Fishstat,

(Except Seaweed and sea mammal)

# World Marine Resources②



## ● Demand for Seafood is Increasing

|                     | 2009    | ⇒ | 2012    |
|---------------------|---------|---|---------|
| ➤ Total Supply      | 123Mton |   | 136Mton |
| ➤ Per Capita Supply | 18.1kg  |   | 19.2kg  |

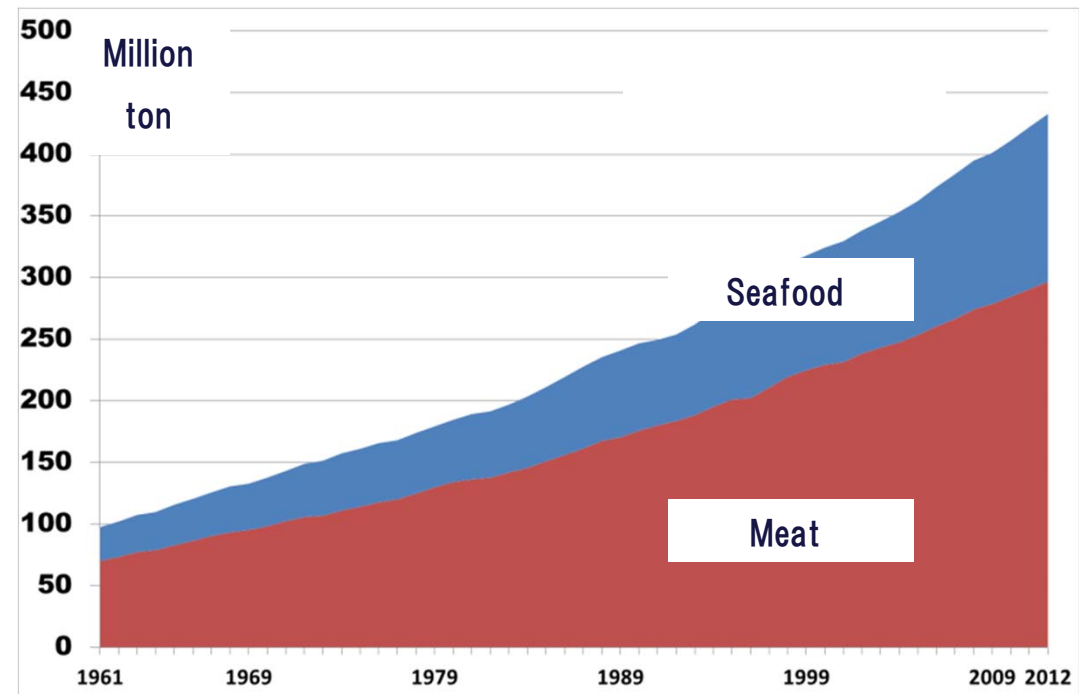
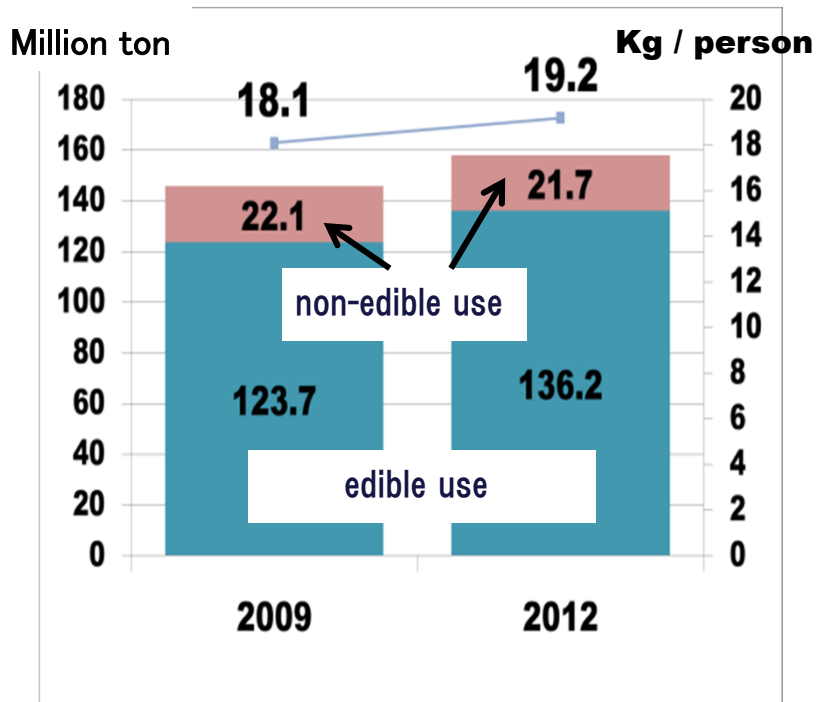
## ➤ Opportunities

- Increasing demand
- Aquaculture business

## ➤ Risks

- Depletion of resource
- Tightening of regulation on aquaculture

World Meat & Seafood Supply



# World Seafood Consumption

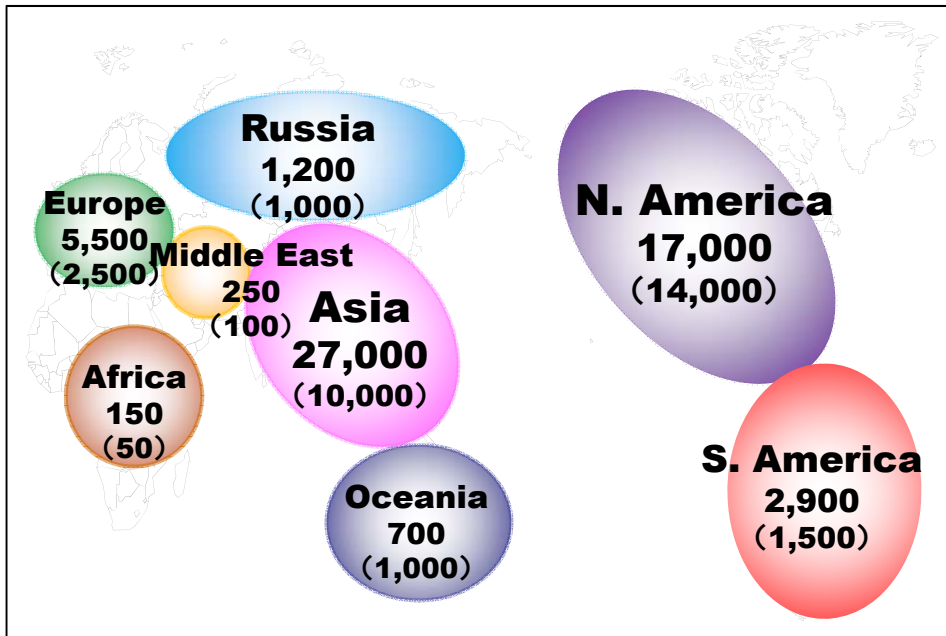


## ➤ Seafood Consumption increase

- # of Japanese restaurant increases world-wide  
⇒ Increase awareness of Wasyoku & seafood consumption
- Favorite Foreign Dishes (Sushi, Sashimi)  
No.1 China, Hong Kong, Taiwan, Korea, France, Italy
- NO.3 USA

## ➤ # of Japanese Restaurant World-Wide

2006 → 2010 → 2013  
24,000 → 30,000 → 55,000

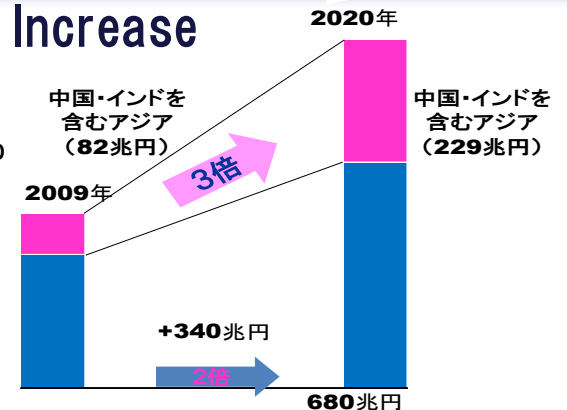


Source: JETRO

## ➤ Food Market Size Increase

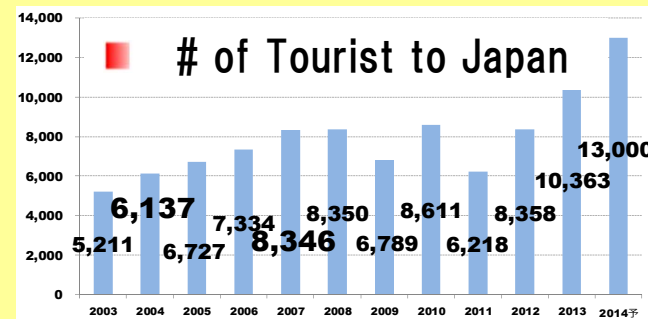
-Mostly Asian Area, including China and India will expand food market from 82 trillion in 2009 to 229 trillion yen in 2020.

-Global food market will grow to 680 trillion yen in 2020, with a twofold in 2009.

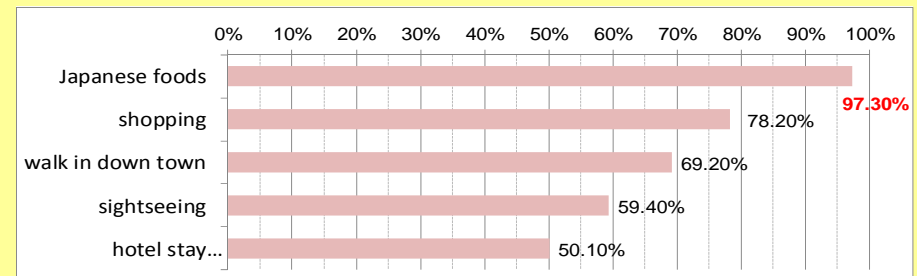


## ➤ Increase of Tourist to Japan Source: 国土交通省 観光庁

- Weaker Yen
- Easing of regulation of Visa
- Tokyo Olympic
- More Tax Free items



## ➤ Favorite Activities in Japan

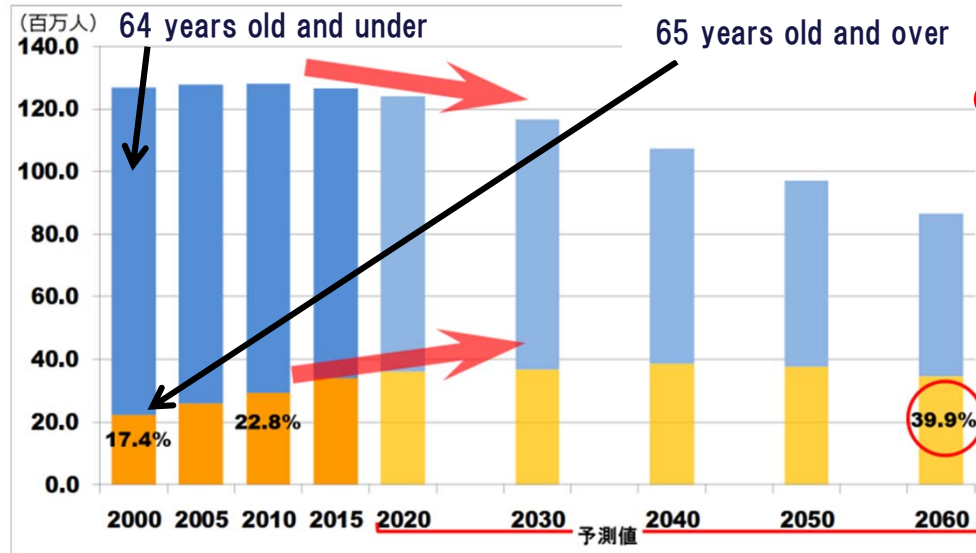


# Japan's Population



## ● Started to decrease since 2010 & Aging is going on

➤ **Aging** (% of more than 65) **2010:(22.8%)** → **2060:(39.9%)**

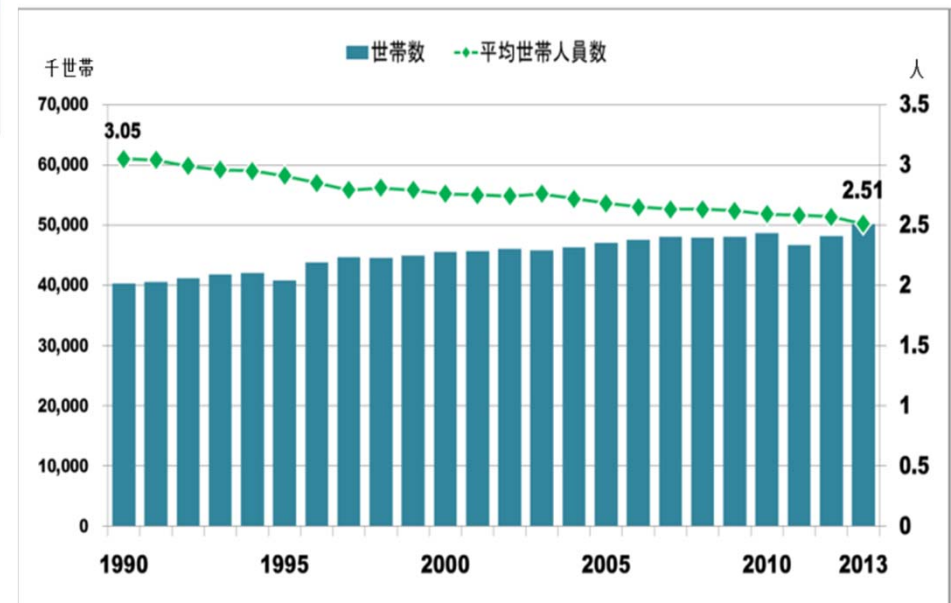


Source: 総務省

## ● Increase of smaller size household

- # of household increase
- Size of household decrease
- Working people decrease (Labor shortage)

H26我が国の人口動態(厚生労働省)



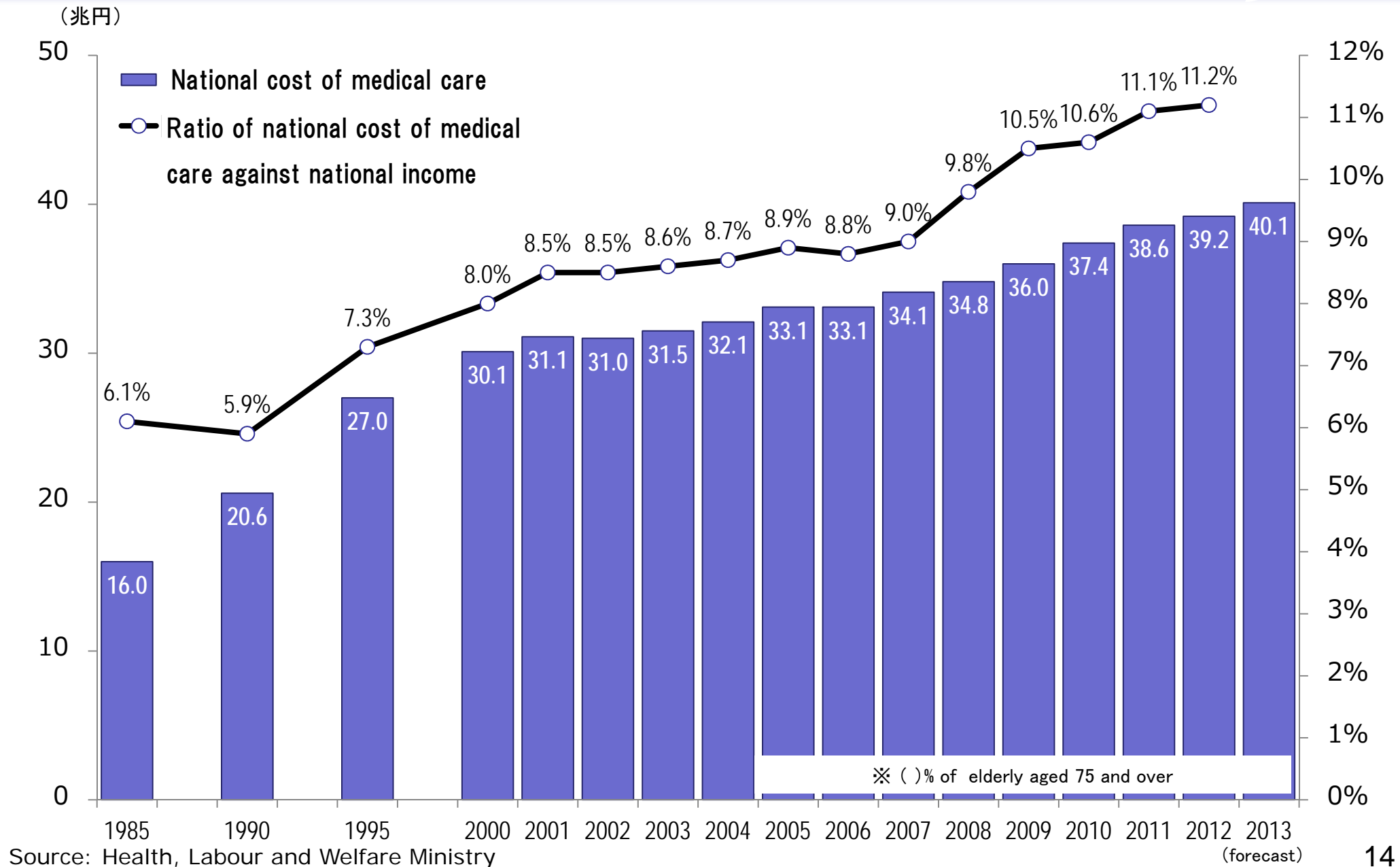
### ➤ Opportunities

- Functional food for elderly
- Ready to eat, easy to cook food
- Small portion for single

### ➤ Risks

- Domestic market shrink
- Labor shortage

# Japan's Medical Care Cost①



# Japan's Medical Care Cost②



## ● Strengthening Generic drug promotion ➤ Opportunities

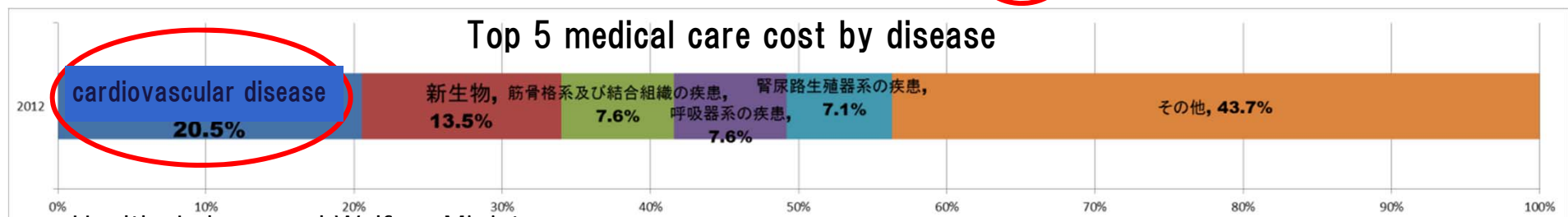
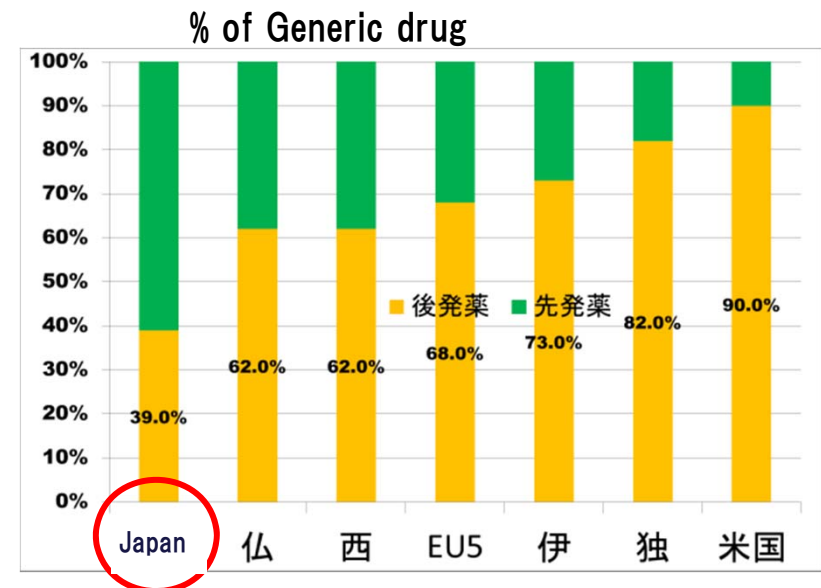
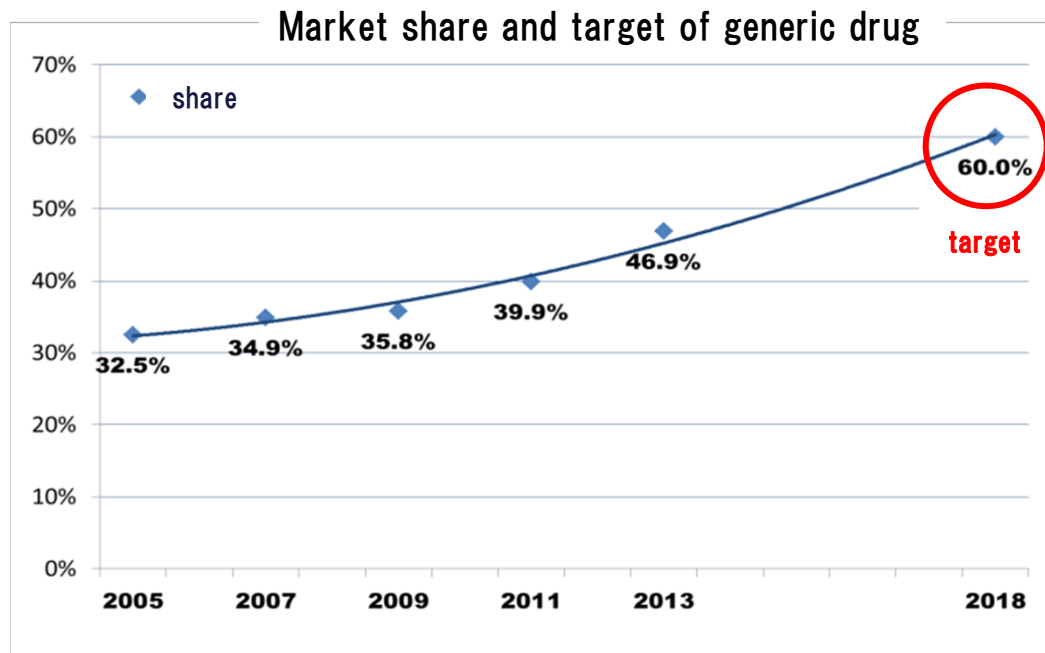
➤ Government Target **2018 60%**

➤ Increase % of cardiovascular disease

- Increase of drugs for cardiovascular disease → Increase of highly-purified EPA drug

## ➤ Risks

- Bolster generic use promotion → More drug price reduction





# More Health Conscious



- More health conscious

- Potential health concern
- Concern about obesity & adult disease
- Interest in healthy food

- Function labeling regulation change

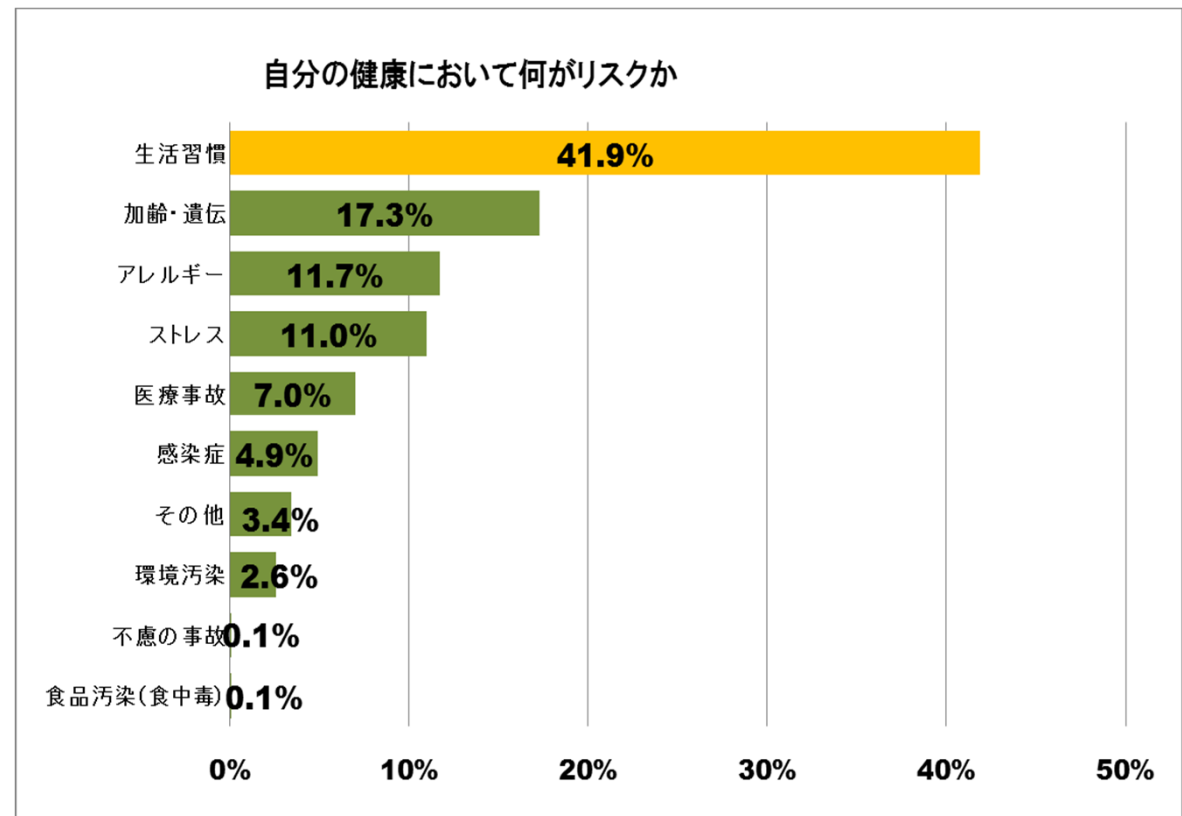
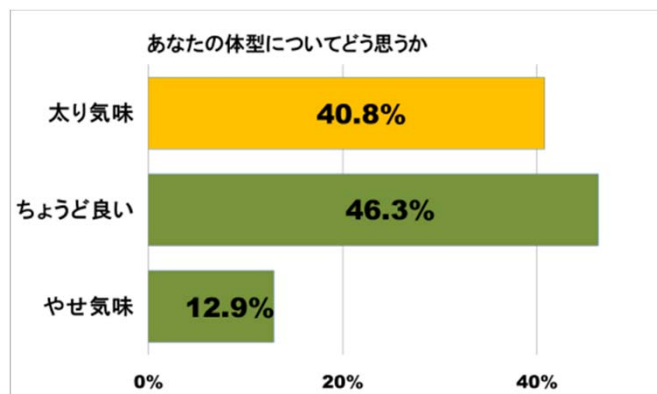
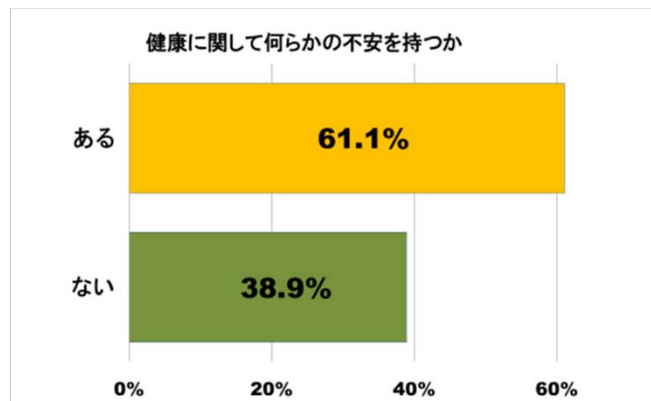
- Functional food (good for health)

- Opportunities

- Market expansion for functional food and healthy food
- Increase of awareness of EPA

- Risks

- No market expansion due to low awareness

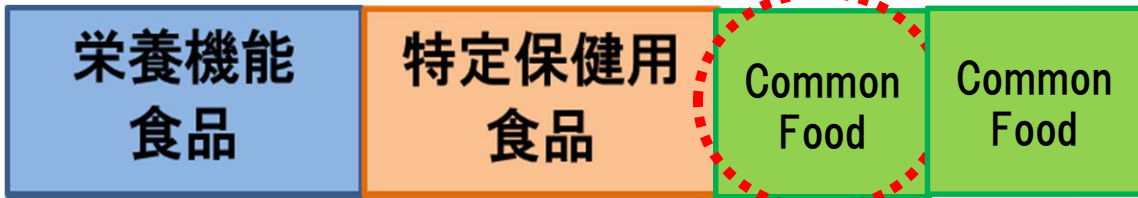


Source: Health, Labour and Welfare Ministry

# Functional Food



Foods allowed to label as functional food **Newly added**



Nutrition Function Food Food for Specified Health Use



**Big Chance!!**

Allowed to label function by company's decision (But, strict rule is set up by Consumer Affairs Agency)

(condition)  
Able to clarify scientific base

| Product Name<br>【Function】             | Example of envisaged labeling of function   |
|--|---|
| Seafood Sausage<br>【Fish Oil(EPA/DHA)】 | This product contains EPA. EPA is reported to support the health of heart and blood vessel. |

# New Mid-Term Business Plan

## Nissui's Origins

### Founding Principles

A tap water supply system is exactly what marine products should be like in production and distribution. We seek marine resources from everywhere in the world, ensure that products are always as fresh as possible ...

### Nissui's Genes

**Mission**

**Innovation**

**Hand-on Approach**

**Global**

**Value the customers**

### Basic Management Policy

**We will champion the sustainable utilization of marine resources and the preservation of the earth environment continue to create diverse values from resources, and provide individual consumers with safe and high quality products thus helping them to maintain a fit and healthy lifestyle**

- Create a global value network of resources including marine resources
- Focus on R&D and marketing, and aim to create value and functions from the viewpoint of ordinary citizen
- Embrace the vision of entrepreneurs and engage in various innovations
- Utilize the resources of the earth and the sea in a sustainable and effective way
- Carry out our responsibility as a company and increase brand value

# What Nissui is Aiming for

- Aim to be a manufacturer with unique technologies which can differentiate in response to environmental changes
  - Blue-chip company with specialty based on seafood

- Positive investment for growth
- Bolster resource access
- Health functional - High value-added
- Expand into overseas market  
(N. America - Europe, followed by Asia)

Add Technology



Deliver to  
Customers

Nissui promotes management based on CSR and contributes widely to the society, as well as increases the corporate value by improving financial strength



Mission

Innovation

Hands-on  
Approach

Global

Customer  
-Orientation

# What Nissui is Aiming for



- **Promote management system based on CSR**
  - **Contribute to the society through the activities regarding governance, food safety, and preservation of the environment**
  - **Increase corporate value through improving the management by consolidating CSR policy**
- **Build strategic human resource development system**
  - **System of recruiting, transfer, allocation and development matched to a business strategy**
  - **Set up diversity promotion team**
  - **Introduce revised personnel system and establish it**



# What Nissui is Aiming for



## ■ Key Word

|  | Food | Marine | FC |
|--|------|--------|----|
| ■ Improve and expand EPA business, challenge to medicine   | ○    |        | ○  |
| ■ Utilize functional lipid technology on all the business  | ○    | ○      | ○  |
| ■ Enhance and evolve deli-style processed food and seafood | ○    | ○      |    |
| ■ Sophistication of Aquaculture                            | ○    | ○      |    |
| ■ Expand business of seasoning and extract from seafood    | ○    | ○      | ○  |
| ■ Enhance overseas sales                                   | ○    | ○      | ○  |

# What Nissui is Aiming for



## Strategic Highlights

- Cross over the boundary of 3 Businesses
- Grow through Integration & collaboration

## FC Business

- Expanding Medicine
- Global Expansion of functional Material
- Increase functional food

## Overseas (Group)

Focus on "Wasyoku" as a growth strategy

## Food Business

- Grow No1 Category
- Deli-style product in new category

On Line Business

Fish Oil

Health Claiming Products

## Marine Business

- Seasoning
- Salmon Roe
- Coastal Fish
- Value added Seafood
- HMR, Menu
- New usage of Surimi
- Overseas sales
- Sophistication of Aquaculture
- Expansion of Salmon farming
- Commercialization of shorter-term aquaculture

R&D: Enhance development function, sophistication of aquaculture, production line optimization

QA: Drive Food Defense

CSR: Corporate Governance, Corporate Brand



# What Nissui is Aiming for



## ■ Direction of each business

### 【Fine Chemical Business】

**Show the significant presence in health food with competitive Functional Lipid R&D technology and EPA information assets**

### 【Marine Product Business】

**Enhance resource access ability and maximize value  
-Evolve into the business structure producing stable profit-**

### 【Food Product Business】

**Explore the field for growth based on our fundamental strength with more robust profit base**

# MVIP 2017

Inherit the concept of preceding mid-term plan  
& achieve growth placing seafood as its core

**M**ake **V**alue through **I**nnovative **P**lan

**M**ost **V**aluable **I**mpressive **P**layer

Want to be valuable with empathy for the society & company

# Investment Plan



## ● Investment and Depreciation (during 3 years)

- Investment Total: 70 billion Yen (Nissui 23 billion Group 47 billion)
- Depreciation: 53.5 billion Yen

### ◆ Fine Chemicals



Kashima Plant (2016)

### ◆ Marine Product

- UniSea Dutch Harbor (2016~2017)



Yumigahama Plant

### ◆ Fisheries (Kyowa)

- 760t Purse Seiner (2014)  
accompanying Carrier (2016)



F/V 88 Koyo

### ◆ Chilled Food Business (Nippon Cookery)



Funabashi Plant (2015)

### ◆ Logistics (Nissui Logistics)



Osaka Maishima Logistic Center (2016)

- Build financial strength enable to response to business climate change
  - Invest to growth area and higher shareholder return

## Cash Flow

- Operating cash flow: aim to create 85 billion in 3 years
- Free cash flow: aim to create 18 billion in 3 years

### Investment for growth

- 67 billion yen (70 billion yen in completion base) to growth engine in 3 years
- ⇒ Strengthen investment control based on ROA

### Shareholder return

- Aim for a consolidated dividend payment ratio of 10~15% in 3 years and more than 30% in the future

### Interest bearing debt

- Aim to reduce interest bearing debt to 240 billion yen and under

Aim for Equity Ratio more than 25%

# A Goal to Reach for①



## ● Key Performance Indicator

| KPI                   | Consolidated        |                    |
|-----------------------|---------------------|--------------------|
|                       | 2017                | 2014<br>(Forecast) |
| (billion yen) Sales   | <b>680</b> or more  | <b>610</b>         |
| Operating Profit      | <b>23</b> or more   | <b>17.5</b>        |
| <b>EBITDA</b>         | <b>41.5</b> or more | <b>34.3</b>        |
| Equity Ratio          | <b>25%</b> or more  | <b>18.5%</b>       |
| <b>ROA</b>            | <b>3.5%</b> or more | <b>2.8%</b>        |
| Interest bearing debt | <b>240</b> or more  | <b>255</b>         |

※ROA = {「Net Profit」+「Interest Cost」× (1-Tax Ratio)} / {(Last Period「Total Asset」+This Period「Total Asset」) ÷ 2}

# A Goal to Reach for ②



## ● Target by Business - Region (+/- 2014) Revised Forecast

### ➤ Business (billion Yen)

| Sales Smount | Marine Product | Food Product | Fine Chemicals | Logistics   | Others      | Total        |
|--------------|----------------|--------------|----------------|-------------|-------------|--------------|
| <b>2017</b>  | <b>288.0</b>   | <b>312.0</b> | <b>36.0</b>    | <b>17.0</b> | <b>27.0</b> | <b>680.0</b> |
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| Operating Profit | Marine Product | Food Product | Fine Chemicals | Logistics  | Others     | Total       |
|------------------|----------------|--------------|----------------|------------|------------|-------------|
| <b>2017</b>      | <b>8.5</b>     | <b>8.9</b>   | <b>5.4</b>     | <b>2.0</b> | <b>0.8</b> | <b>23.0</b> |
| <b>2014</b>      | <b>7.4</b>     | <b>6.4</b>   | <b>4.3</b>     | <b>1.7</b> | <b>0.7</b> | <b>17.5</b> |
| <b>+/-</b>       | <b>1.1</b>     | <b>2.5</b>   | <b>1.1</b>     | <b>0.3</b> | <b>0.1</b> | <b>5.5</b>  |

### ➤ Region (billion Yen)

| Sales Smount | Japan        | N. America   | S. America  | Asia        | Europe      | Total        |
|--------------|--------------|--------------|-------------|-------------|-------------|--------------|
| <b>2017</b>  | <b>478.0</b> | <b>103.0</b> | <b>9.0</b>  | <b>7.0</b>  | <b>83.0</b> | <b>680.0</b> |
| <b>2014</b>  | <b>439.8</b> | <b>81.4</b>  | <b>9.4</b>  | <b>11.1</b> | <b>68.3</b> | <b>610.0</b> |
| <b>+/-</b>   | <b>38.2</b>  | <b>21.6</b>  | <b>-0.4</b> | <b>-4.1</b> | <b>14.7</b> | <b>70.0</b>  |

| Operating Profit | Japan       | N. America | S. America  | Asia       | Europe     | Total       |
|------------------|-------------|------------|-------------|------------|------------|-------------|
| <b>2017</b>      | <b>16.2</b> | <b>3.5</b> | <b>2.7</b>  | <b>0.4</b> | <b>2.8</b> | <b>23.0</b> |
| <b>2014</b>      | <b>12.8</b> | <b>2.0</b> | <b>3.5</b>  | <b>0.4</b> | <b>1.8</b> | <b>17.5</b> |
| <b>+/-</b>       | <b>3.4</b>  | <b>1.5</b> | <b>-0.8</b> | <b>0.0</b> | <b>1.0</b> | <b>5.5</b>  |

# Major Growth Strategy

# Major Growth Strategy (Medicine)



- Aim to be a World No.1 Drug Substance producer of Medical EPA
  - Double the production capacity in response to domestic and overseas market expansion
  - Realize the best quality and productivity by new facility
  - Introduce the newest cGMP production control & accelerate overseas business
  - Production by various source of materials





# Major Growth Strategy (Functional Food)

## New Organization

### ● New labeling institution for functional Food

- Develop functional food based on new labelling institution in all the Nissui category
  - Functional Foods Department leads the development & each business sells the products
- Develop and expand products claiming health function strongly
  - Including EPA plus、SPORTS EPA
- Sales of material bulk of EPA (Japan)
  - Increase sales to existing / new customers
    - (New Organization) ⇒ Processed food manufacturers・Distributors
    - (Fine Chemicals) ⇒ Healthy food manufacturers
- Expand umi no genki club business (on-line sales)
  - Increase sales of imark through EPA brand increase (Fine Chemicals)

# Major Growth Strategy (Aquaculture)



## ● Blue Fin Tuna

### ➤ Seinan, Kaneko

- Promote complete farming
- Increase production of Formula feed for Tuna



## ● Buri (Yellow tail)

### ➤ Kurose

- Sophistication of farming technology
- Acquire ASC(MSC of farming)、FSSC22000



## ● Salmon

### ➤ Sakaiminato Coho

- Volume increase (sashimi)
- Brood stock

### ➤ SA Trout Salmon

- Countermeasure for fish disease

# Major Growth Strategy (Add-Value)



## ● Develop Deli-Menu as new category

### ➤ Collaboration between Marine and Food Business

- Dinner menu, Frozen bento box
- Menu for single (Dessert, LL chilled deli)
- Food service menu (Set menu, Elderly care)



## ● Deliver seafood according to requests

### ➤ Add value to local and farmed fish (raw, grilled and cooked fish)



# Major Growth Strategy (Seasoning Business)

## ● Increase Seasoning, Seafood Extractive Business

Bring about synergy between marine and food business by bolstering seafood extractive business and developing new business

- Increase bulk sales to overseas
- Sell highly processed seasoning
  - Bolster seasoning production from Bonito extractive
  - Co-develop with food service companies
- Study new business of powdered soup (Dashi)
  - Expand fish variations including Bonito, Crab, and white fish
  - Set up a project team to study the possibility

# Major Growth Strategy (Overseas) ①



## ● Focus on “Wasyoku” as a growth strategy

- Prospective market attracting world attention certified as intangible world heritage by UNESCO
- Nissui’s differentiated products and fundamental strength in development would support global development
  - Nissui’s own processing technology of surimi-based products
  - Nissui’s own farmed fish with good quality (Buri, Tuna)
  - Wasyoku-based frozen food menu



- Study local production and distribution after export and trilateral trade

# Major Growth Strategy (Overseas) ②



## ● Initiatives of each region (Target)

- **Asia (Increase sales to Asian market)**
  - International Sales Office puts the local sales and production on truck by using group companies' function.  
(Thai Delmar, Nissui Thailand, NIGICO, Qingdao Nissui)
- **North America (100 billion yen)**
  - Concentrate the sales function on FWB
  - Utilize K&P Redmond production line of surimi products
- **Europe (80 billion yen)**
  - Find market opportunity through the sales of Japanese food stuff including edamame and Kurose Buri (Yellowtail)
- **South America (Increase supply source and find market)**
  - Increase sales of Wasyoku by Nordsee in Brazilian market



# Major Growth Strategy (Production)



- Establish production base of each business by functional enhancement  
(Function - Competitiveness Enhancement)
  - Stable operation at newly-built plants
  - Improve food production formation and balance
  - Establish production framework of deli, ready-to-eat, and value-added marine products
  - Complement each other among marine, food, and chilled business and create new business
  - Enhance chilled food production based on growth of CVS
- (Risk - Aging)
  - Countermeasure against China risk
  - Study Kyusyu & Metropolitan area's new production framework

# Major Growth Strategy (Logistics)



## ● Growth by capacity expansion and improvement

### ➤ Investment to Kansai area

- Osaka Maishima Logistic Center starts operation in 2016

### ➤ Improvement and advancement in logistic efficiency

- Rebuild network among marine products distribution base
- Consolidation by seafood distribution center
- Expansion & Optimization of cooperative distribution
- Establish logistic framework beyond existing business frame





# Major Growth Strategy (R&D)



## ● Enhance competitiveness in functional lipid

- Production technology of advanced unsaturated fatty acid
- Challenge to medicine and new functional lipid



## ● Sophistication and commercialization aquaculture

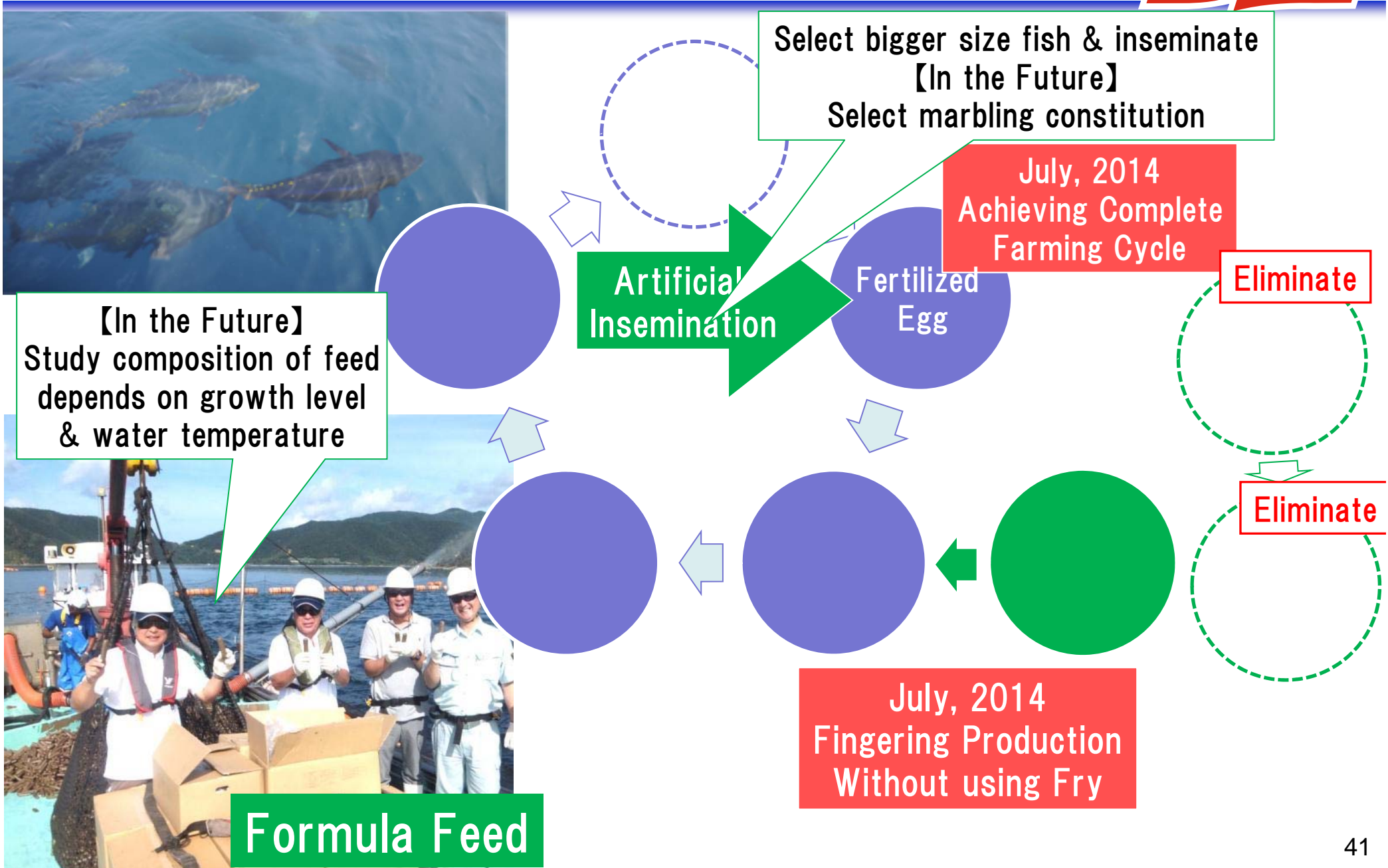
- Promote complete farming cycle
- Sophisticate early-stage artificial feed technology
- Challenge to onshore tank farming
- Expand fish species and acquire grown technology for farming

## ● Bolster unique competitive advantage

- Mid and Long-term development based on the technology



# Major Growth Strategy (R&D)



# MVIP 2017

*True Global Links*

