

Financial Results Briefing for FY2023





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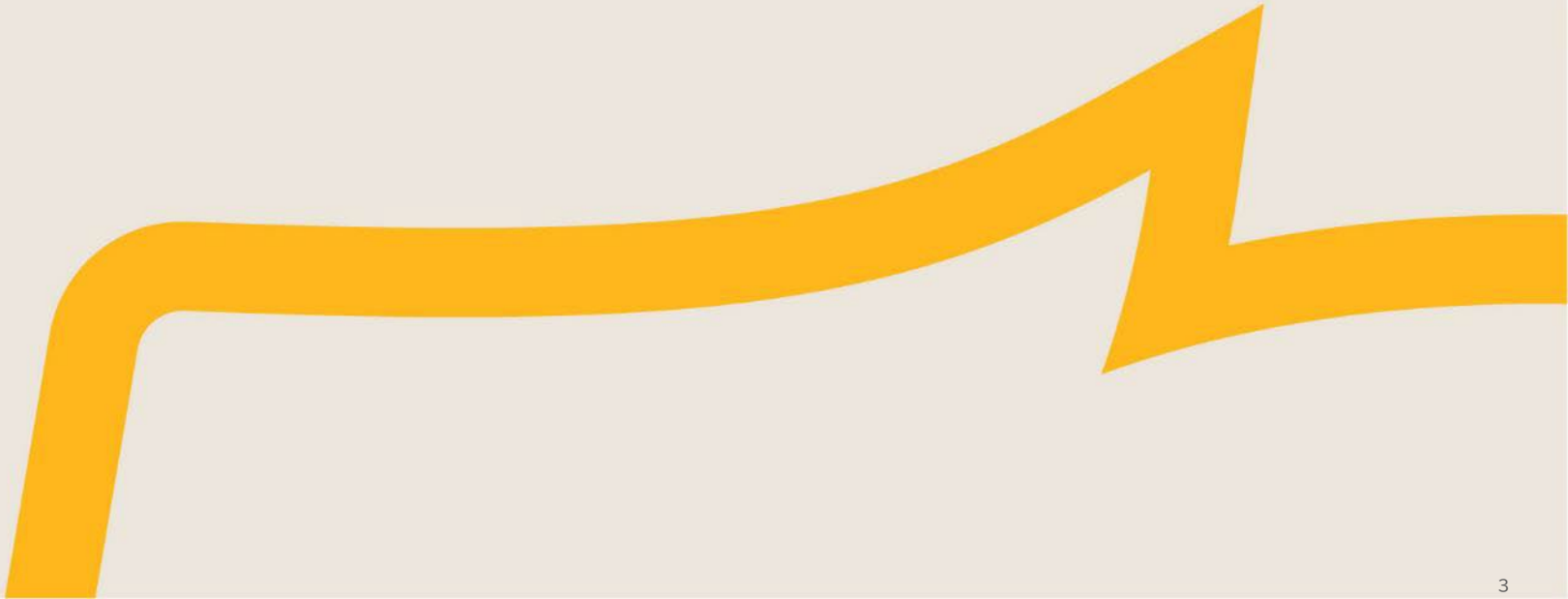
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Overview of FY2023

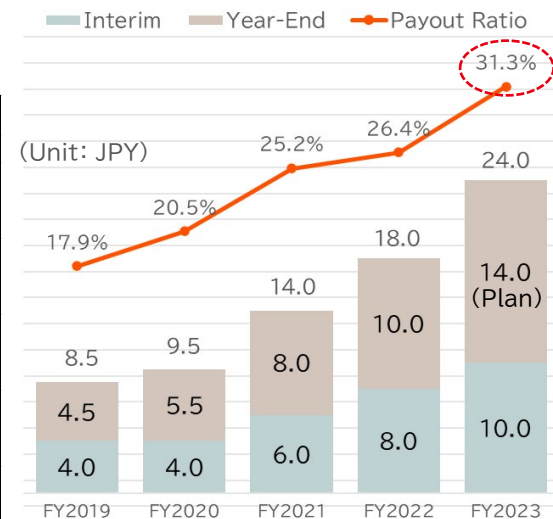


Overview of FY2023

- Net sales increased by 8%, and operating profits increased by 21%, both record highs.
- Profit attributable to owners of parents increased by 12%, marking the highest for three consecutive years.
- The year-end dividend is 14 yen, marking an increase for the fifth consecutive fiscal year, with 24 yen for the year, an increase of 6 yen from FY2022.

(Unit: 100 million JPY)	FY2022	FY2023	Y-on-Y	(%)
Net Sales	7,681	8,313	631	8.2
Operating Profit	244	296	51	21.1
Ordinary Profit	277	319	41	15.1
Profit attributable to owners of parent	212	238	26	12.3
ROIC	5.2 %	5.3 %	0.1 %	

FY2023 Annual Plan revised in Feb	Progress Rate (%)
8,250	100.8
290	102.3
310	103.1
235	101.5
5.1 %	



Overview of FY2023 by Segment

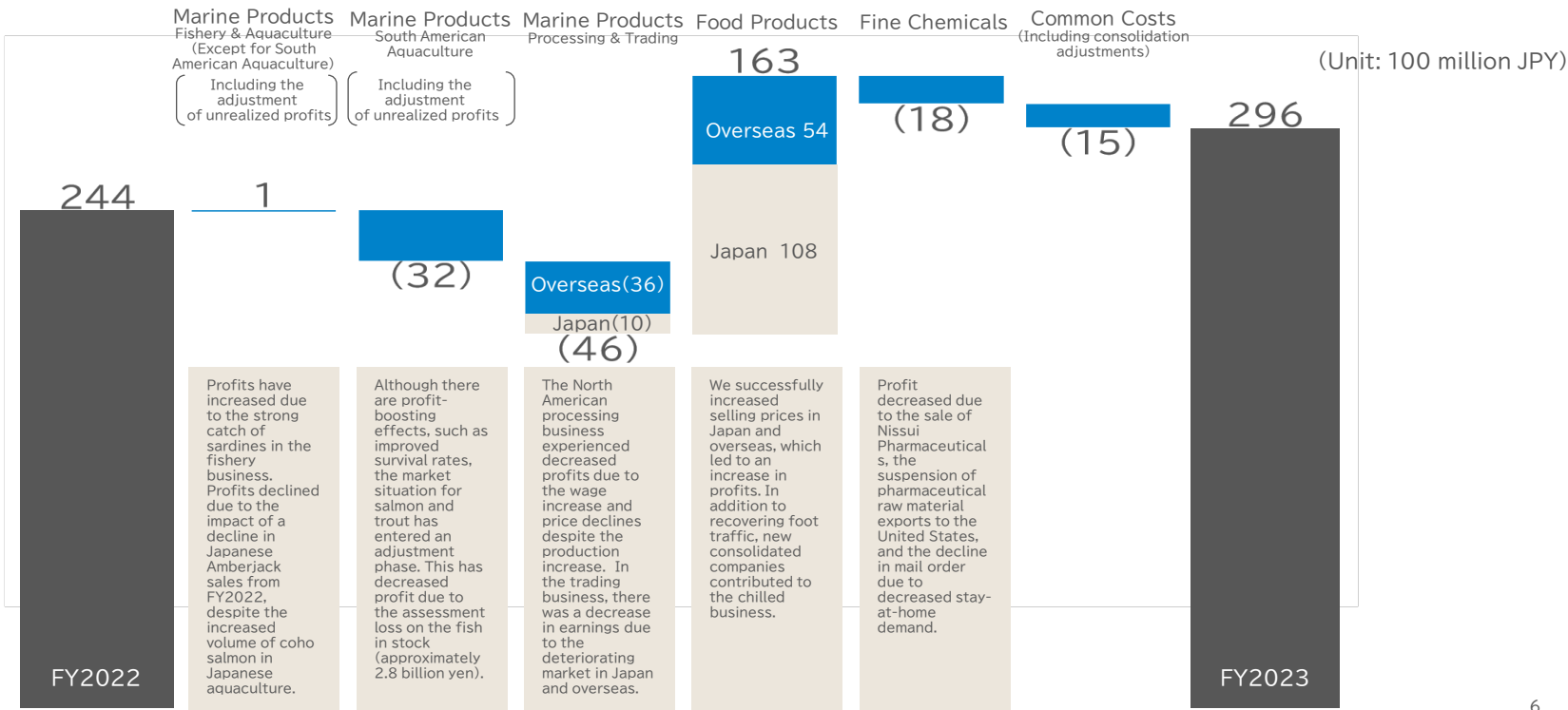
In the Marine Products Business, sales increased due to the yen depreciation, despite the decline in market conditions. The Food Products Business has seen significant sales growth due to the recovery of commercial-use products, the impact of yen depreciation, and price increases. In the Marine Products Business, sales increased due to the impact of foreign exchange despite the decline in market conditions. Fine chemicals experienced a sales decline due to the impact of the sale of Nissui Pharmaceuticals.

(Unit: 100 million JPY)	FY2022	FY2023	Y-on-Y	
			(Amount)	(%)
Net Sales	7,681	8,313	631	8.2
Marine Products	3,283	3,368	85	2.6
Food Products	3,820	4,432	612	16.0
Fine Chemicals	251	156	(94)	(37.5)
General Distribution	154	152	(2)	(1.8)
Others	171	202	30	17.9
Operating Profit	244	296	51	21.1
Marine Products	185	106	(78)	(42.4)
Food Products	114	272	158	138.8
Fine Chemicals	17	(1)	(18)	—
General Distribution	15	15	(0)	(3.6)
Others	7	7	(0)	3.0
Common Costs	(95)	(104)	(8)	9.1
Ordinary Profit	277	319	41	15.1
Profit attributable to owners of parent	212	238	26	12.3

<Impact of foreign
exchange on net sales>
+300

Main Factors for Changes in Operating Profit (Y-on-Y)

Through successful price adjustments in Japan and overseas, significant earnings growth in the food business covered the decline of other businesses. The Marine Products business performed well through a strong catch in the fishery business and the expansion of coho salmon farming in Japan. However, the Marine Products business faced challenges in Japan and overseas due to the market downturn.



Consolidated Balance Sheet (Y-on-Y)

Total assets increased, primarily due to the inclusion of a newly consolidated CVS vendor company and an increase in working capital. The equity ratio reached more than 40%.
(Unit: 100 million JPY)

			Y-o-Y			
Current Assets	3,251	208		Current Liabilities	2,128	140
Cash and deposits	166	62		Notes and accounts payable	566	64
Notes and accounts receivable	1,082	126		Short-term borrowings	966	(39)
Inventory	1,840	81		Accrued expenses	336	77
Non-current Assets	2,812	365		Non-current Liabilities	1,362	66
Property, plant and equipment	1,663	172		Long-term borrowings	1,097	48
Intangible assets	173	32		Net Assets	2,573	366
Investment and other assets	975	159		Shareholder's equity	2,491	323
Total Assets	6,063	573		Equity Ratio		
				As of March 2023	39.5% ⇒	As of March 2024 41.1%

Consolidated Cash-Flow Statement (Y-o-Y)

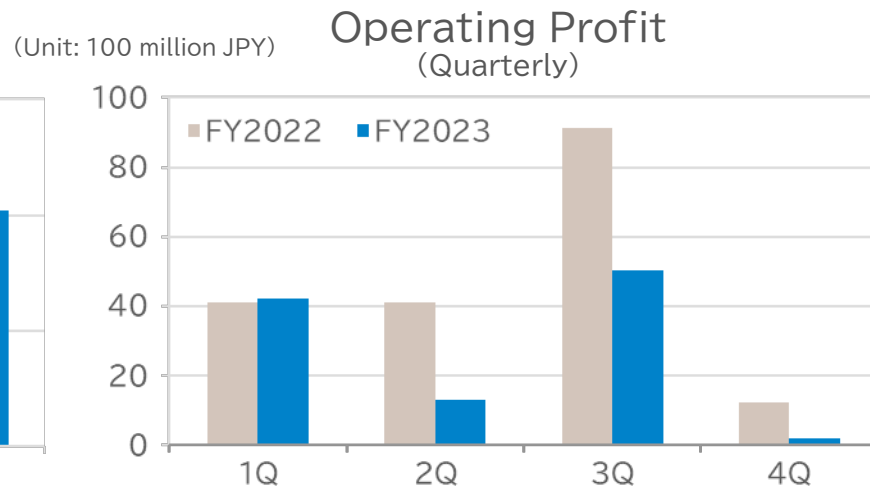
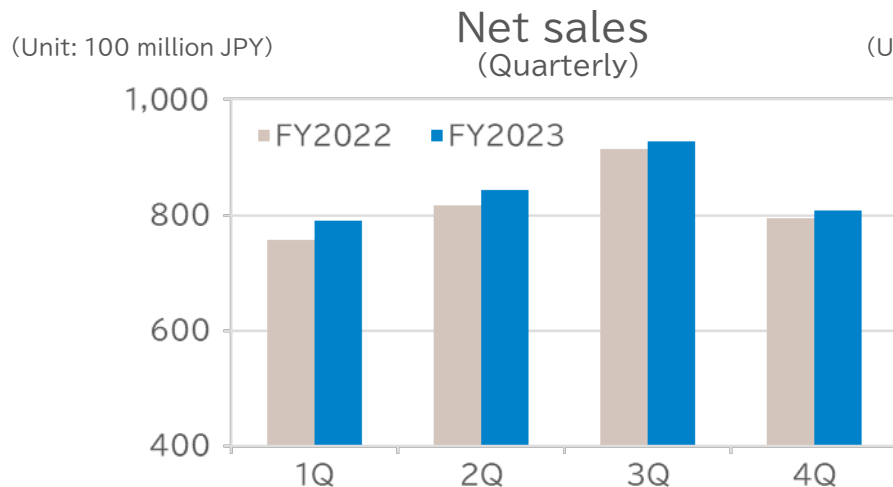
Inventory control significantly improved operating cash flow.

(Unit: 100 million JPY)	FY2022	FY2023	Y-o-Y
·Profit before income taxes	292	348	55
·Depreciation & Amortization	207	228	21
·Working Capital	(355)	35	390
·Income taxes paid	(124)	(47)	77
·Others	13	(20)	(33)
Net cash provided by operating activities	33	544	510
·Investment in (Purchase of) property, plant, and equipment	(227)	(262)	(34)
·Others	2	(115)	(117)
Net cash provided by investing activities	(225)	(377)	(151)
·Increase (Decrease) in short-term borrowings	163	(84)	(248)
·Increase (Decrease) in long-term borrowings	71	25	(45)
·Others	(60)	(64)	(5)
Net cash provided by financing activities	174	(123)	(298)
Cash and cash equivalent at end of term	142	195	

Marine Products Business Net Sales & Operating Profit (Y-on-Y)

We proceeded with the early disposal of unprofitable inventories due to the downturn in market conditions. Sales increased due to the depreciation of the yen. However, profit declined sharply in the aquaculture business in South America and the processing business in North America due to declining market prices.

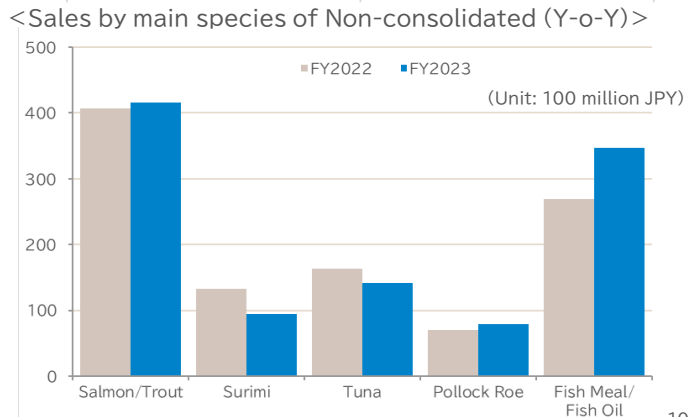
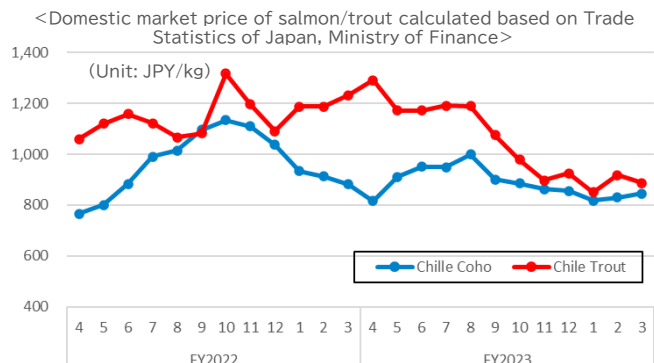
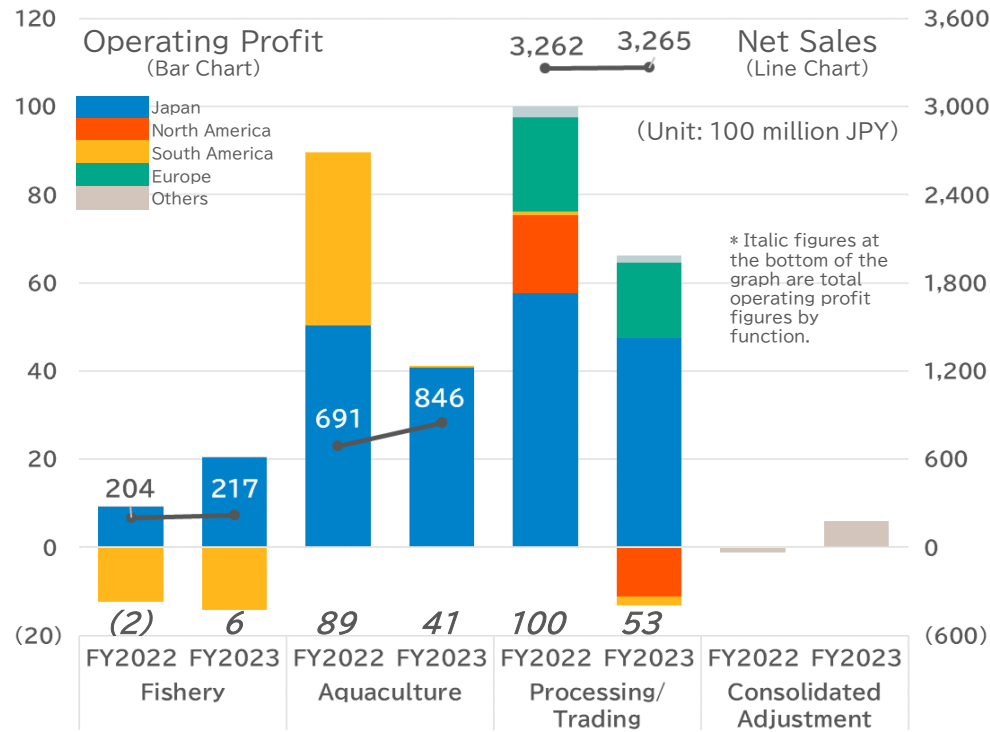
Unit: 100 million JPY	FY2022	FY2023	Y-on-Y	
			(Amount)	(%)
Net Sales	3,283	3,368	85	2.6
Operating Profit	185	106	(78)	(42.4)



Marine Products Business Net Sales & Operating Profit (Y-on-Y)

• In domestic aquaculture, although aquaculture performance improved, profits declined due to the impact of a decline in Japanese Amberjack sales from the previous year.

• Significantly affected by the downturn in market conditions, South American aquaculture, and North American processing and trading businesses struggled.



Salmon and Trout Aquaculture Business in South America

Profit decreased due to a negative impact on the evaluation of fish in the cage as the salmon/trout market entered an adjustment phase.

※1

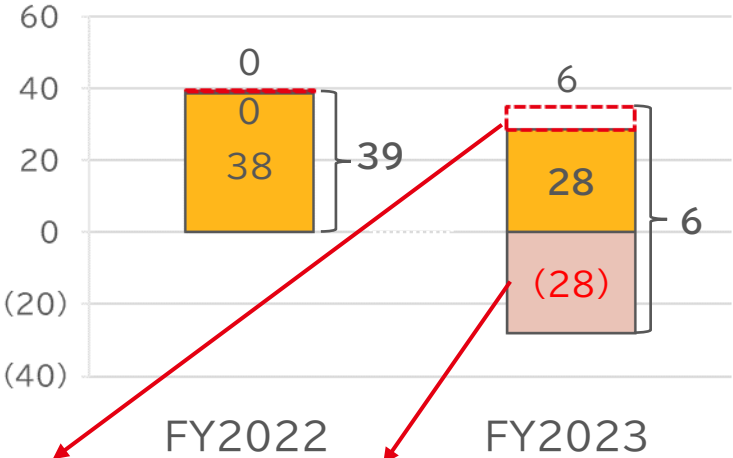
(Unit: 100 million JPY)

Valuation of profit/loss
of fish in pond
(Evaluation by IFRS)

Profit or loss
on business

Adjustment of
unrealized profit

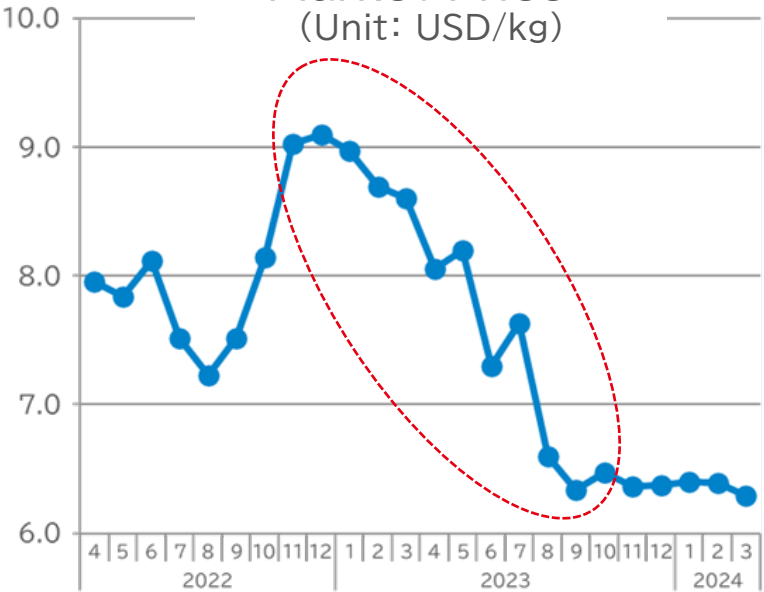
※2



※2 Adjust
unrealized profits
in inventory

※1 Assumed profit of pre-
shipment fish (resident
pond fish) in the cage

<Chile Trout HG
Market Price>
(Unit: USD/kg)



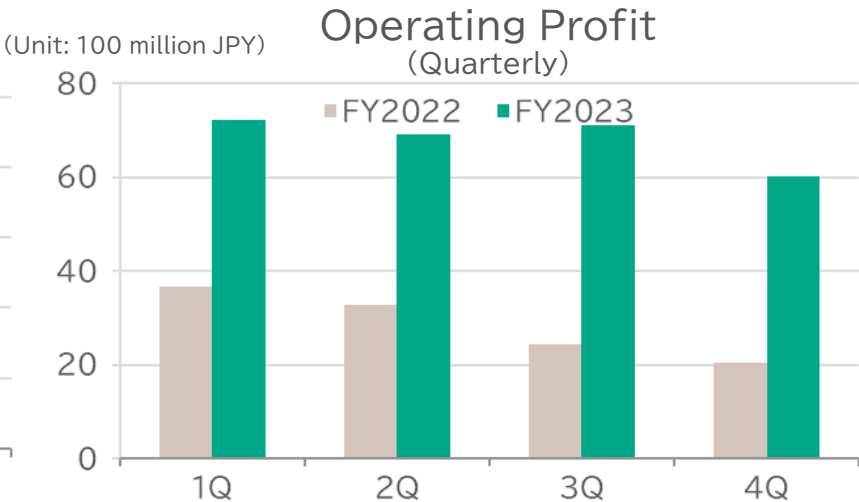
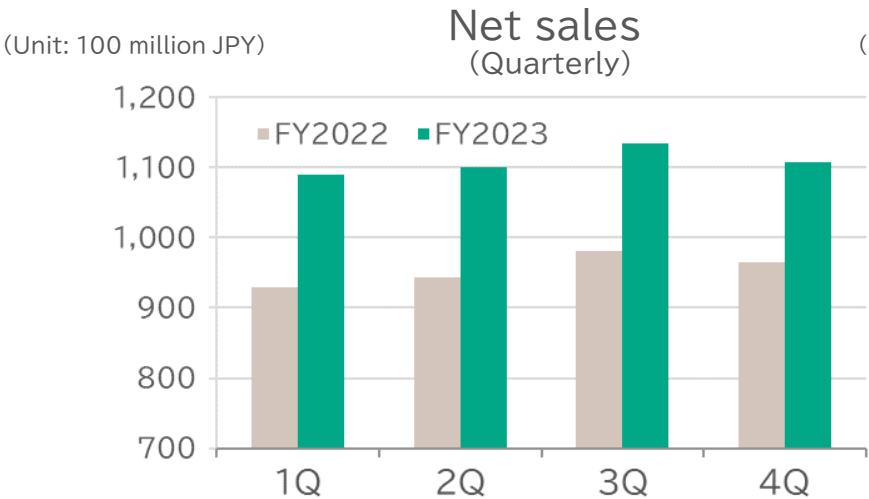
(HG: Fish that its head and guts removed)

(Source: InfoTrade)

Food Products Business Net Sales & Operating Profit (Y-on-Y)

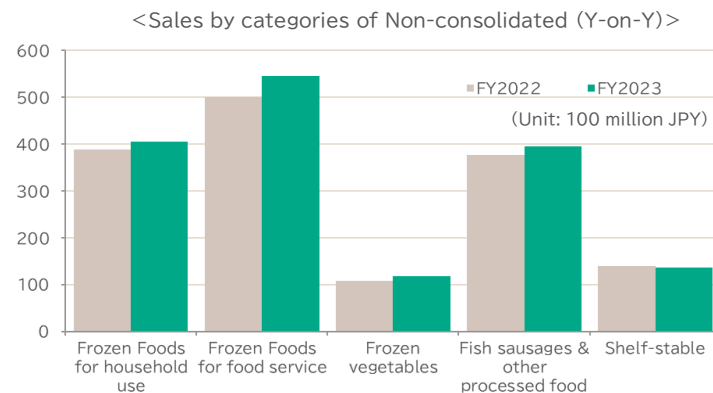
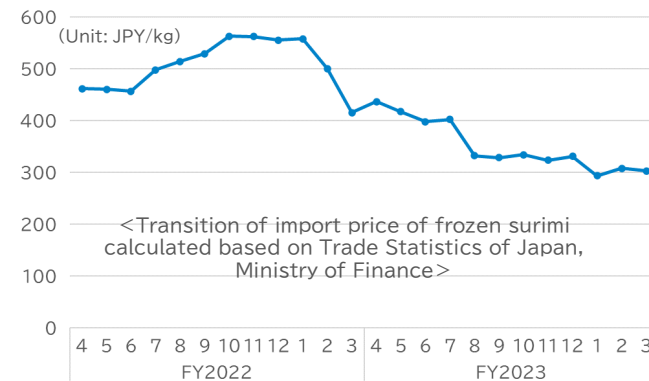
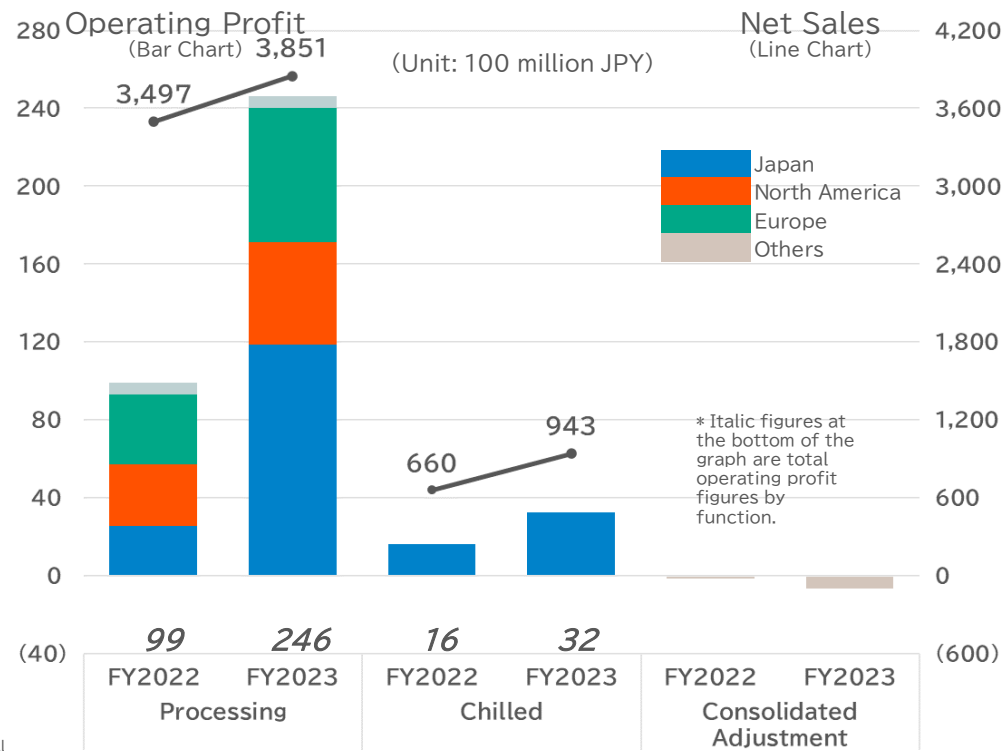
Despite declining sales volume in Japan and overseas, sales and profits increased significantly.

Unit: 100 million JPY	FY2022	FY2023	Y-on-Y	
			(Amount)	(%)
Net Sales	3,820	4,432	612	16.0
Operating Profit	114	272	158	138.8



Food Products Business Net Sales & Operating Profit (Y-on-Y)

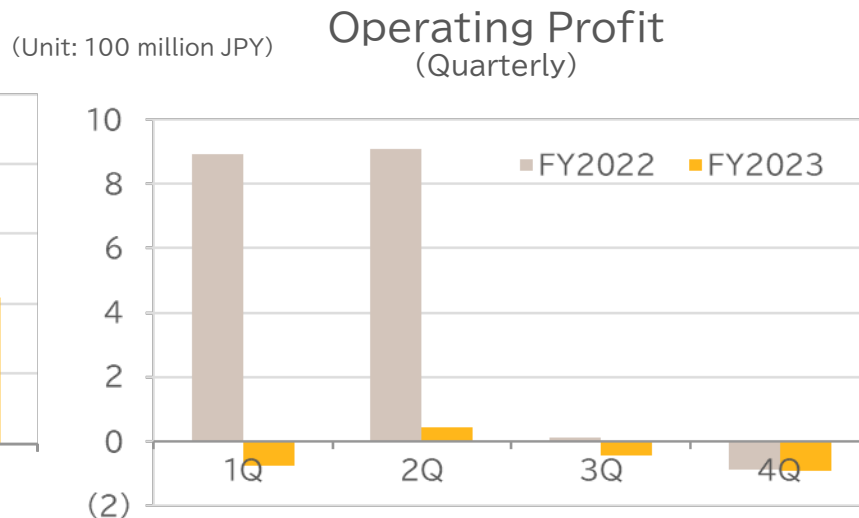
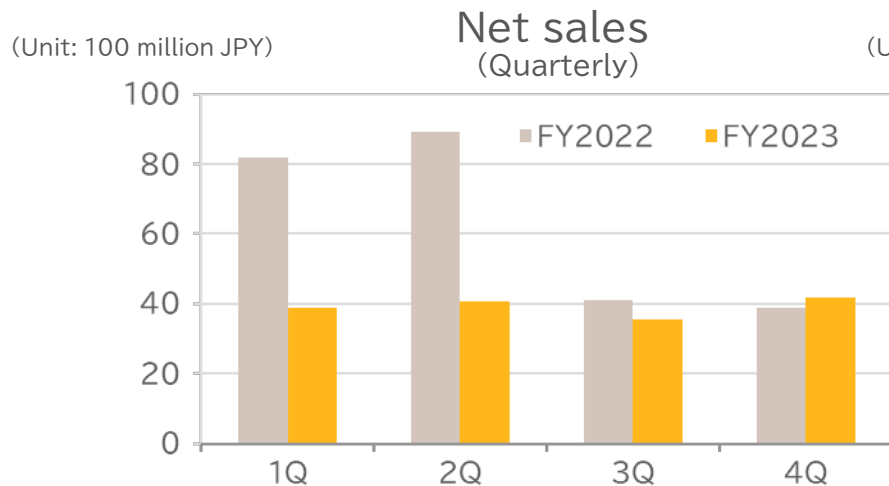
In Japan and overseas, profits began to increase due to price increases, the strong performance of the food for commercial use attributed to the recovery of foot traffic, and the decline of raw material prices. Chilled food businesses have also performed well, including onigiri for convenience stores and the effects of consolidation of the new company.



Fine Chemicals Business Net Sales & Operating Profit (Y-on-Y)

With the impact of the sale of Nissui Pharmaceuticals in September 2022, sales and profits decreased due to the suspension of exports of pharmaceutical raw materials to the United States since last year and the decline in mail orders due to a lapse in stay-at-home demand.

Unit: 100 million JPY	FY2022	FY2023	Y-on-Y	
			(Amount)	(%)
Net Sales	251	156	(94)	(37.5)
Operating Profit	17	(1)	(18)	—



Review for Fine Chemicals Business

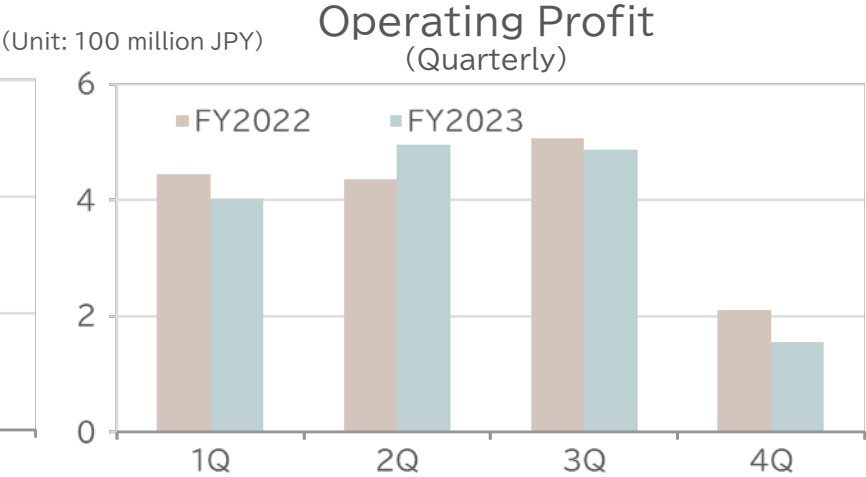
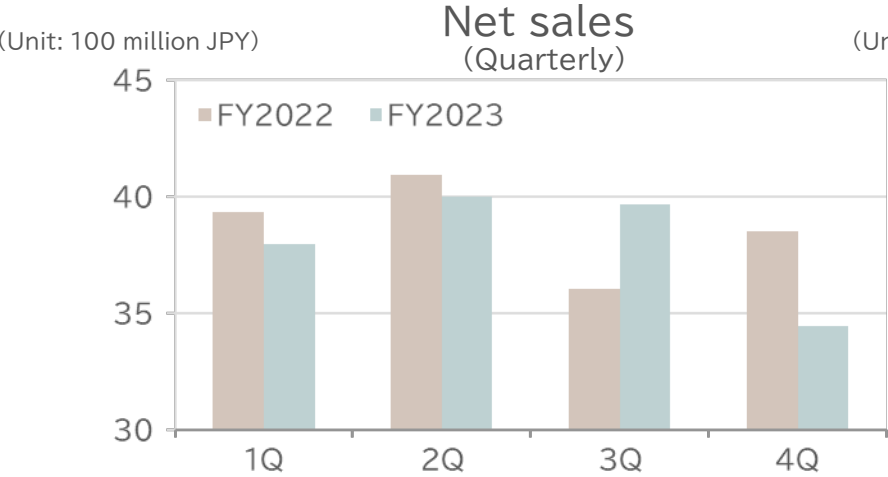
The plan for the FY2023 was made with high expectations, but significant delays in overseas shipments had a major impact.

Initiatives for 2023	Actual	Result
Export of Pharmaceutical Ingredients to Europe	The analytical methods required for the raw materials were tightened, causing a significant delay in the application process. (Originally scheduled to be completed in July 2023, but postponed to February 2024)	Although we were unable to achieve sales to Europe in 2023, we have completed the application for the European market and are currently responding to inquiries from the authorities.
Preparation for the Sale of Intermediates to Overseas Markets	We prepare for the sale of EPA ethyl ester with a certain amount of EPA concentration for pharmaceuticals (the intermediates of high-purity EPA APIs) to overseas manufacturers.	A customer is conducting production trials of our product now. Our goal is to achieve sales in the FY2024.
Expansion of the Health Food Business	After Covid-19, stay-at-home demand slowed down. Sales of mail-order flagship products struggled.	On the other hand, new products, such as EPA gummies, are launched for mass retailers. In the Fine Chemicals business, bulk sales of raw materials are the mainstay, but we will increase the ratio of product sales and make structural changes.

General Distribution Net Sales & Operating Profit (Y-on-Y)

Although profitability has improved due to storage fees increase, expenses for the opening of a new distribution center (Nanko Logistics Center of Nissui Logistics Co., Ltd.) were incurred. The profit was on par with the same period last year.

Unit: 100 million JPY	FY2022	FY2023	Y-on-Y	
			(Amount)	(%)
Net Sales	154	152	(2)	(1.8)
Operating Profit	15	15	(0)	(3.6)



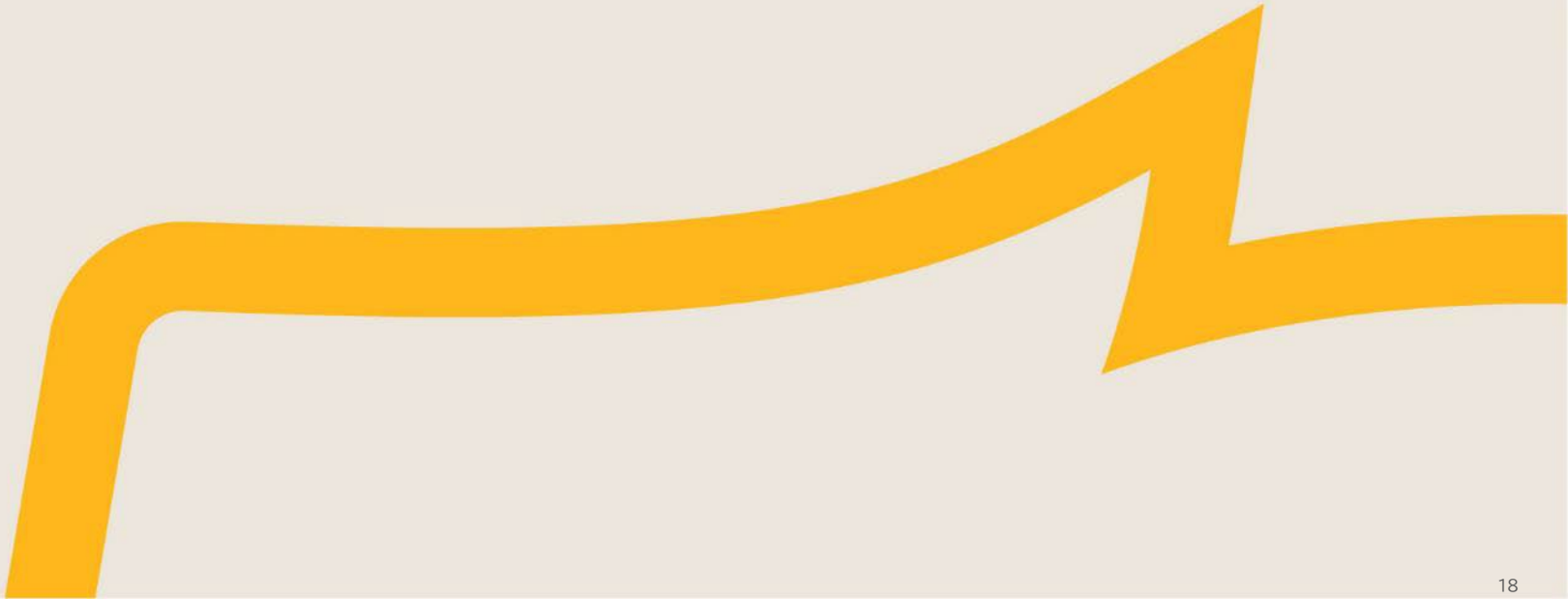
Sustainability Targets FY2023 Results

Although we worked to solve problems through our business, the results were conspicuous that we did not achieve our targets.

Values	Themes	Goals	Compared (Unit)	FY2023 Target	FY2023 Result	Evaluation
Actions toward climate change and ocean environment	Reduction of CO2 emissions	Zero CO2 emission	FY2018 (Absolute quantity)	8%	6.8%	△
	Reduction of Plastic	Zero plastic emission	FY2015 (per unit)	8%※	To be disclosed	△
Sustainable procurement	Sustainability of Marine Resources	Sustainable Procurement Ratio	-	FY2024 80%	To be disclosed in the first half of FY2024	△
	Responsible Procurement (Human Rights)	Responsible procurement	-	70%※	92%	○
Solve health problem	Expansion of products in the health field	Expand products for health category	FY2021	Improved by 20%	No Improvement	△
Play important roles by diverse human resources	Employee Engagement	Improvement of Employee engagement Score	FY2021	Improved engagement score by 5%※	Improved engagement score by 11.6%※	○
	Women's empowerment	Promotion of active female participation	-	8%※	6.6%	×

* The target is non-consolidated.

Prospects and Initiatives for the Future



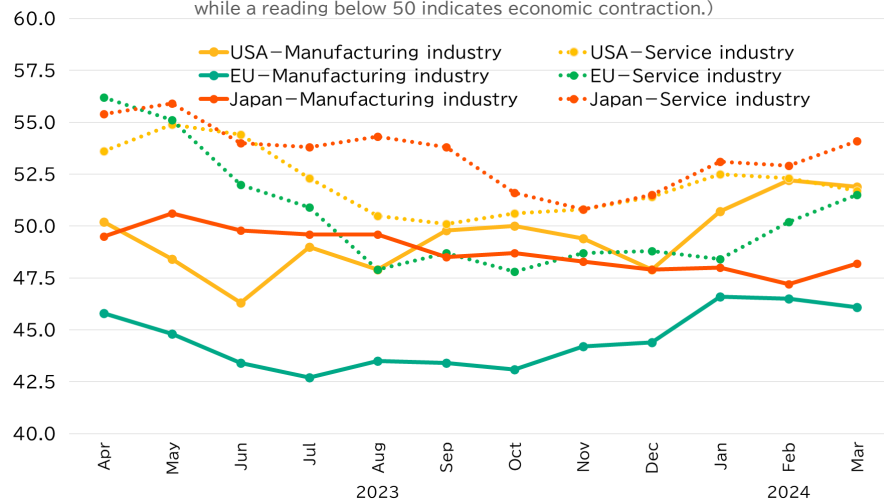
The Surrounding Environment

The surrounding environment is still uncertain.

Business sentiment is improving, especially in the service industry. We will pay close attention to future economic trends.

<The Purchasing Managers' Index (PMI) for Europe and the United States>

(Generally, a reading above 50 indicates economic expansion, while a reading below 50 indicates economic contraction.)

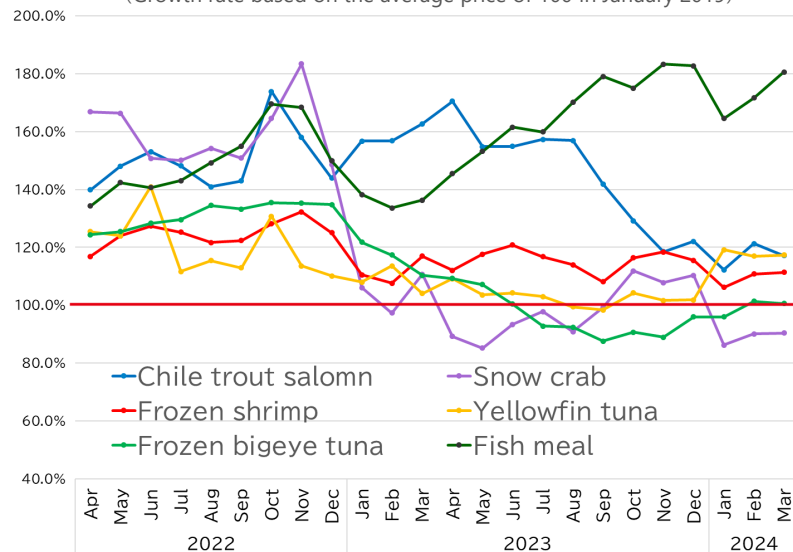


(Source: S&P Global)

The fish market has been stagnant in recent months.

<Price Growth Rate by Fish Species in Japan>

(Growth rate based on the average price of 100 in January 2019)



(Source: Ministry of Finance, Trade Statistics.)

Review of Performance of Mid-term Business Plan

In addition to growth investments, we will optimize our business portfolio.

- ① We sold Nissui Pharmaceutical Co., Ltd., and Housui Co., Ltd., which had limited synergies.

② We continue to sell cross-shareholdings.

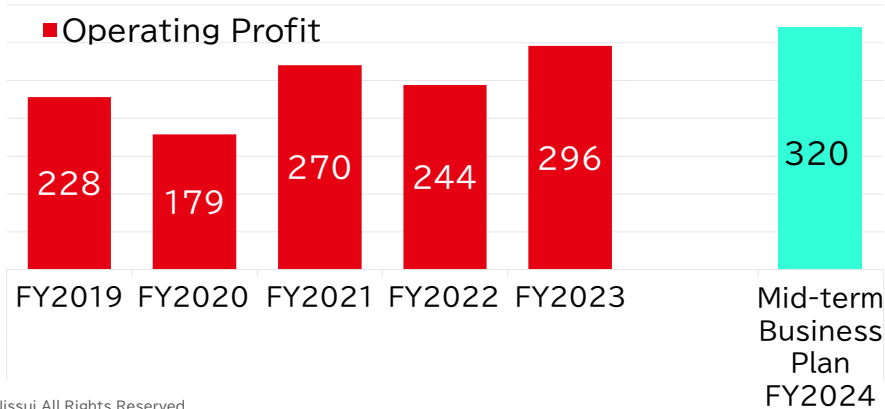
③ Market expansion and profitability improvement of Food Business in North America and Europe.
- ④ We are improving profitability by raising prices in the domestic food business and implementing revenue and expenditure management on an item-by-item basis.

We invest in the chilled business (Gourmet Delica) and pursue the effects of integration with existing companies.

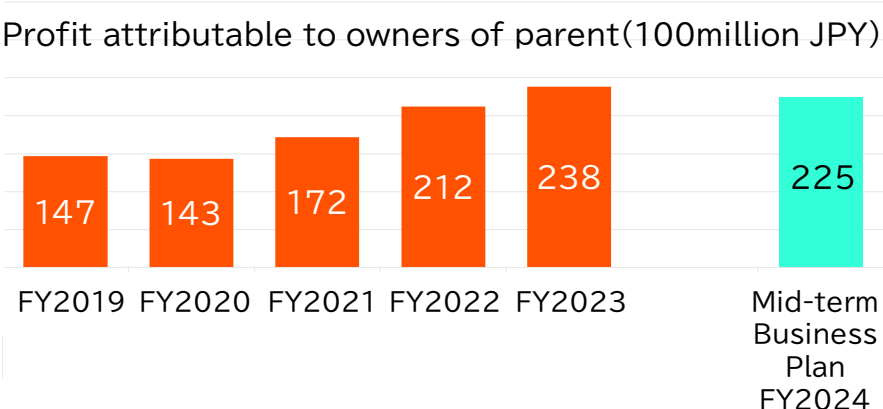
⑤ In addition to expanding domestic aquaculture and promoting products to process, we strengthen profitability in the fresh fish business in Europe.

⑥ Overseas expansion of pharmaceutical raw materials is delayed from the initial plan.

▶ Operating Profit



▶ Profit attributable to owners of parent

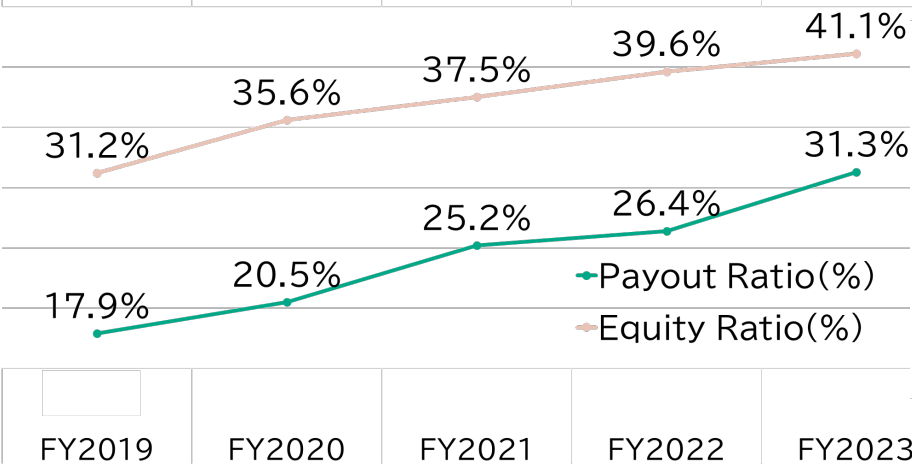


Review of Performance of Mid-term Business Plan

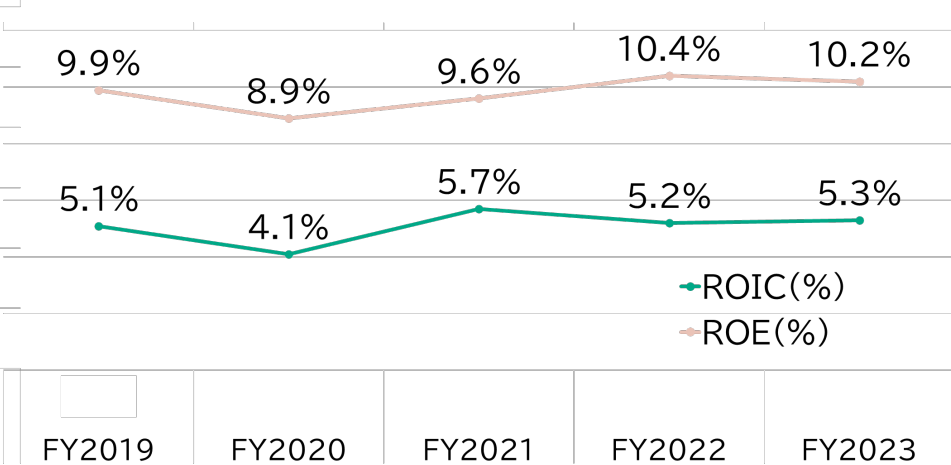
We will target the ROIC for 2024.

We have increased dividends for five consecutive years. We also achieved the Mid-term Business Plan Recipe 1's target of a payout ratio of 30%.

► Payout ratio and Equity ratio



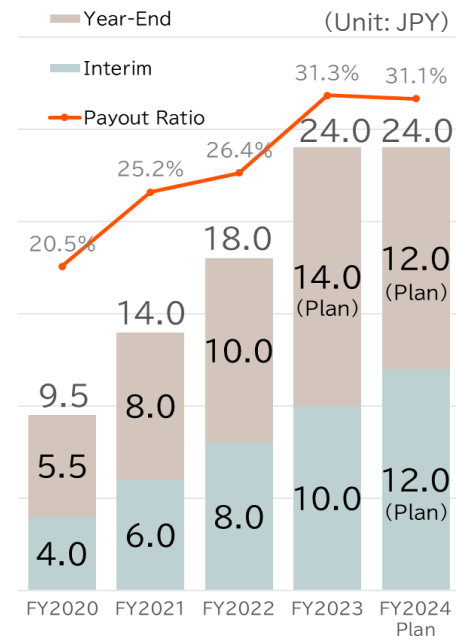
► ROIC and ROE



Summary for Plan FY2024

We will achieve the medium-term management plan - Recipe 1 in terms of sales and profit, aiming for a record high.

(Unit: 100 million JPY)	FY2023	FY2024 Plan (A)	Y-o-Y	(%)	Mid-Term Business Plan(B) (Announced in FY2022)	GAP (A)-(B)
Net Sales	8,313	8,750	436	5.2	7,900	850
Operating Profit	296	325	28	9.6	320	5
Ordinary Profit	319	350	30	9.5	350	0
Profit attributable to owners of parent	238	240	1	0.6	225	15
ROIC	5.3 %	5.8 %	0.6 %		5.5 %+	



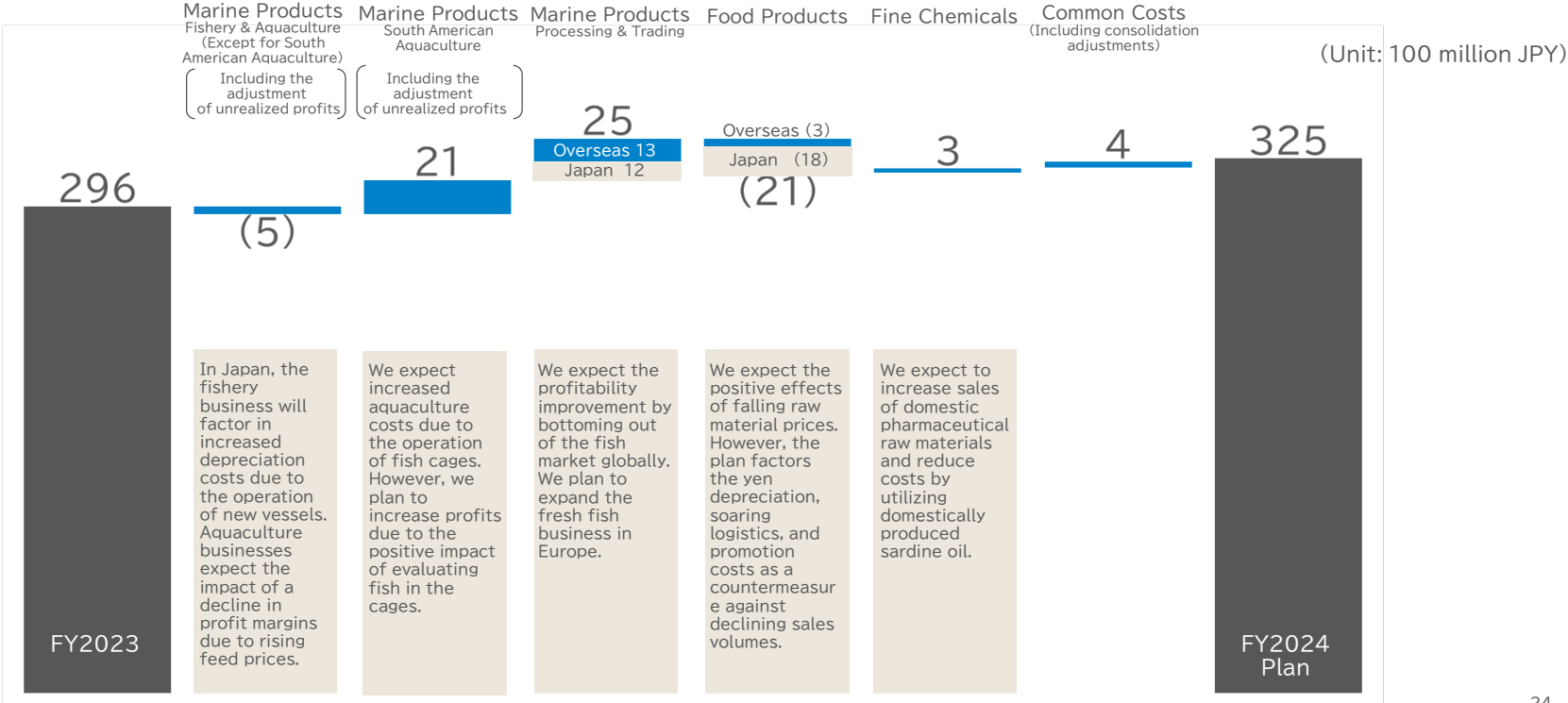
FY2025 Plan Overview by Segment

We anticipate a decline in the seafood market, which shows signs of bottoming out. The Marine Products Business plans to cover the decrease in the Food Business by recovering due to the positive impact of the profit increase of aquaculture in South America. The Fine Chemicals Business cannot forecast the timing of overseas expansion, so it is not factored into the plan.

(Unit: 100 million JPY)	FY2023(A)	FY2024 Plan(B)	Changes(B-A)		Mid-Term Business Plan(C) (Announced in FY2022)	Changes(B-C)	
			(Amount)	(%)		(Amount)	(%)
Net Sales	8,313	8,750	436	5.2	7,900	850	10.8
Marine Products	3,368	3,511	142	4.2	3,088	423	13.7
Food Products	4,432	4,705	272	6.1	3,991	714	17.9
Fine Chemicals	156	165	8	5.1	394	(229)	(58.1)
General Distribution	152	167	14	9.8	163	4	2.5
Others	202	202	(0)	(0.4)	264	(62)	(23.5)
Operating Profit	296	325	28	9.6	320	5	1.6
Marine Products	106	144	37	35.1	157	(12)	(8.0)
Food Products	272	255	(17)	(6.6)	172	83	48.3
Fine Chemicals	(1)	3	4	—	64	(61)	(95.3)
General Distribution	15	20	4	30.2	21	(1)	(4.8)
Others	7	9	1	21.4	9	0	0.0
Common Costs	(104)	(107)	(2)	2.2	(103)	(3)	3.4
Ordinary Profit	319	350	30	9.5	350	0	0.0
Profit attributable to owners of parent	238	240	1	0.6	225	15	6.7

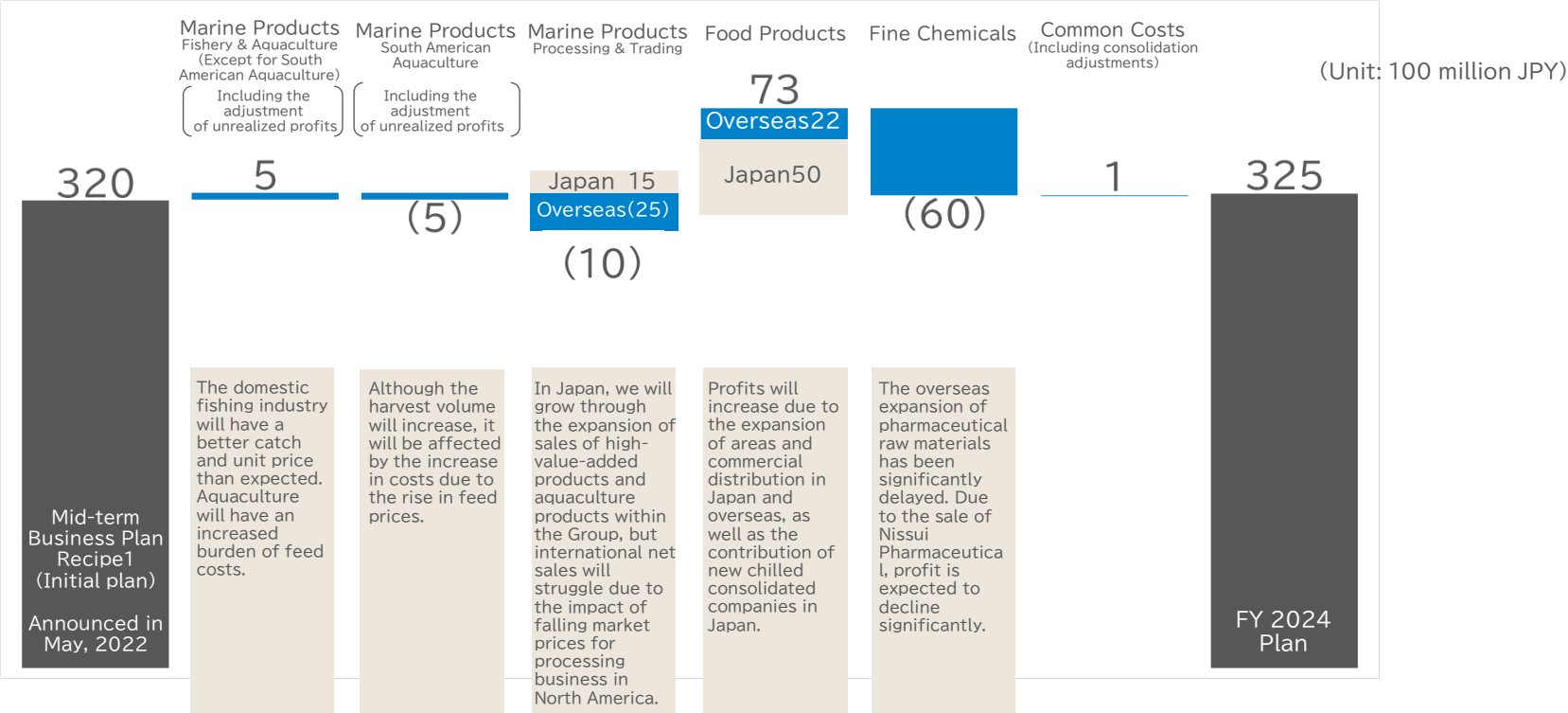
FY2024 Main Factors for Changes in Operating Profit (Y-on-Y)

We plan to cover the decline of the Food Products Business by the Marine Products Business.



FY2024 Plan: Main Factors for Changes in Operating Profit (Mid-Term Business Plan)

Despite the struggle of overseas seafood processing, food products have grown significantly. In addition to the sale of Nissui Pharmaceutical, the Fine Chemicals Overseas expansion will be significantly delayed.



The Marine products business and Food products business

The Marine products and Food products businesses have steadily raised profitability levels while complementing each other. We aim to further increase profitability and reduce volatility, establish a more stable profit structure through setting an outlook for the fine chemicals business by FY24.

The fish market condition and the profits of each business are interconnected.



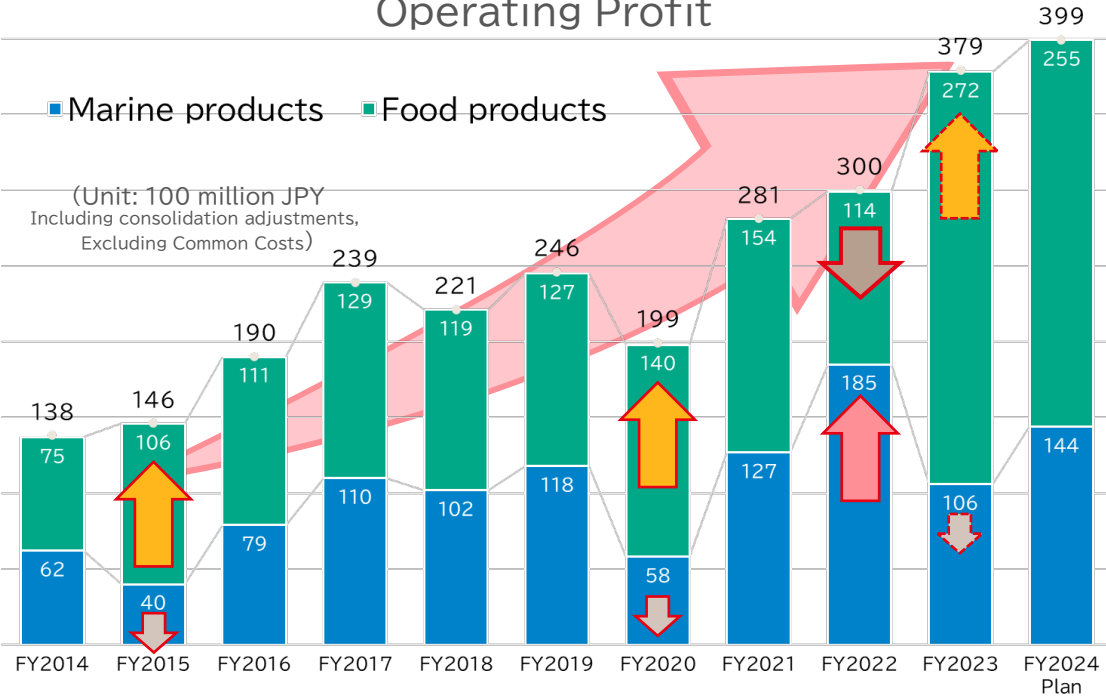
The Marine product business generally experiences a negative impact on falling fish market conditions.

When the prices of raw materials decrease, it can benefit the Food product business.

Operating Profit

■ Marine products ■ Food products

(Unit: 100 million JPY
Including consolidation adjustments,
Excluding Common Costs)



Sustainability Targets for FY2024

Since this is the final year of the Mid-term Business Plan, we will respond to themes lagging in progress.

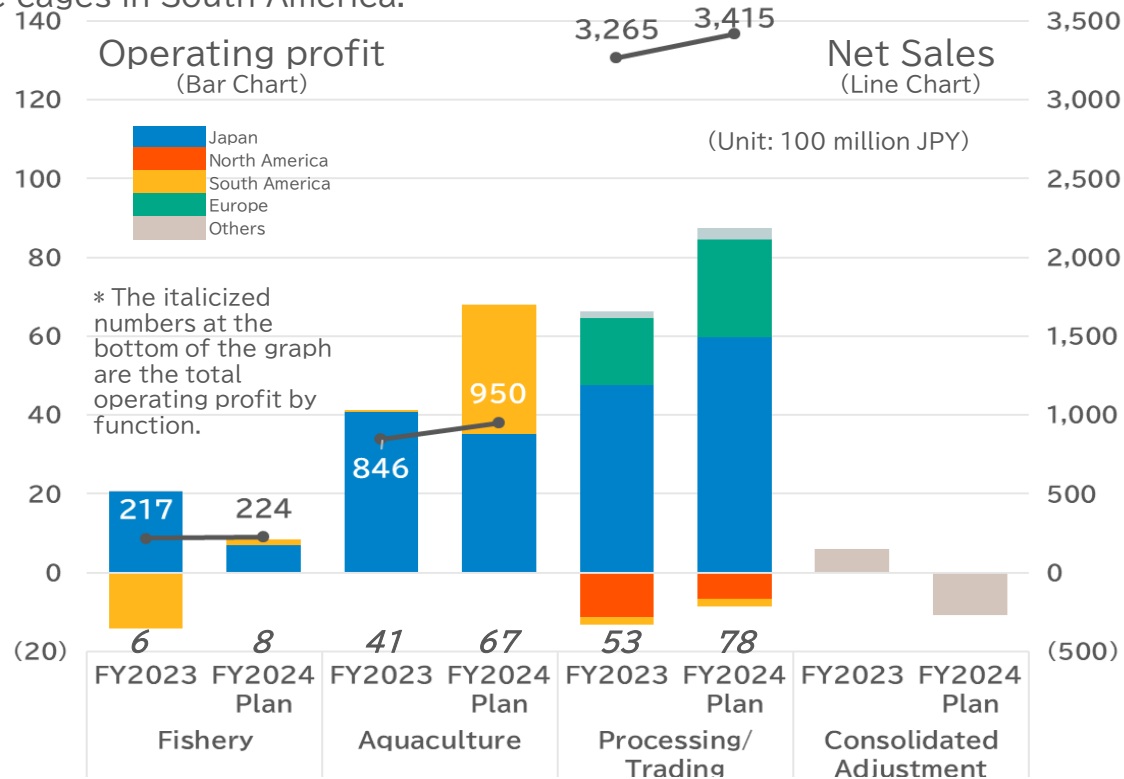
Values	Themes	Goals	Compared (Unit)	FY2030 Target	FY2024 Target	FY2024 for Initiatives
Actions toward climate change and ocean environment	Reduction of CO2 emissions	Zero CO2 emission	FY2018 (Absolute quantity)	30%	10%	<ul style="list-style-type: none"> • Introduction of solar power generation equipment (off-site study) • Energy-saving at business sites, upgrading to high-efficiency equipment, switching to renewable energy-derived electricity, expanding modal shifts, etc.
	Reduction of Plastic	Zero plastic emission	FY2015 (per unit)	30%※	10%※	<ul style="list-style-type: none"> • Adoption in product design (Volume reduction, paper traying, trailless, biomass plastic, etc.) • Reduction of plastic in logistics materials and promotion of recycling
Sustainable procurement	Sustainability of Marine Resources	Sustainable procurement ratio	-	100%	80%	<ul style="list-style-type: none"> • Planning and implementation of measures to ensure and improve sustainability based on the results of the Third Survey of Procured Marine Resources Sustainability
	Responsible Procurement (Human Rights)	Major Tier-1 suppliers' ratio	-	100% (major Tier-1 suppliers)	100%※	<ul style="list-style-type: none"> • Supplier engagement based on SAQ responses • Maintenance of supply chain information
Solve health problem	Expansion of products in the health field	Expand products for health category	FY2021	Improved by 300%	Improved by 30%	<ul style="list-style-type: none"> • Overseas market development of pharmaceutical raw materials • Strengthen the promotion of Fast-Twitch skeletal muscle protein and expand brand awareness
Play important roles by diverse human resources	Employee Engagement	Improvement of employee engagement score	FY2021	Improved engagement score by 20%※	Improved engagement score by 10%※	<ul style="list-style-type: none"> • Creating a corporate culture and fostering a sense of unity • Analysis of factors and publicity of successful cases and strengthening of company-wide activities
	Women's empowerment	Promotion of active female participation	-	20%※	10%※	<ul style="list-style-type: none"> • Employee-centric initiatives have been launched. These will strengthen the creation of an organization where both men and women can balance work and childcare and realize their careers.

* The target is non-consolidated.

FY2024 Initiatives : Marine Products Business

We will cover the decline of domestic aquaculture, which is expected to be affected by rising feed prices, by improving the profitability of processing and trading businesses due to a bottoming out of the fish market and the reduction of unprofitable inventory. Furthermore, we anticipate the positive impact of evaluating fish in aquaculture cages in South America.

Unit: 100 million JPY	FY2023	FY2024 Plan	Y-on-Y	
			(Amount)	(%)
Net Sales	3,368	3,511	142	4.2
Operating Profit	106	144	37	35.1



FY2024 Initiatives : Marine Products Business (Fisheries)

We will work on environmental considerations and operational efficiency.

▶ Japan & Oceania

- (Japan) Obtained MSC fishery certification for the Midwest Pacific skipjack tuna and yellowfin tuna purse seine fisheries.



By promoting sustainable and environmentally friendly fisheries based on resource management, we will contribute to an increase in the number of certified products (such as MSC) in the natural marine products we handle.

- (Oceania) Acquired a fisheries company in New Zealand, and together with the existing company, became the country's No. 1 fisheries company.



In addition to strengthening access to fishery resources, we expect to improve the efficiency of fishery and operations by utilizing refrigerators and sharing information with existing fishing companies and accommodating catch quotas.

▶ South America

- The number of days of operation decreased due to the breakdown of the fishing vessels, reducing the production of surimi.
- Although amortization expenses decreased due to an impairment loss in FY2022, we were unable to cover the impact of increased repair costs due to refrigeration equipment failures, increased labor costs due to inflation, and increased mooring costs due to the suspension of operations.
- (Future initiatives) We expect the number of fish caught increased by the quota increase for Hoki, develop the market by expanding the production of fillets, which are in high demand, and control the cause of failures by updating to the latest model.

<Position of the Fisheries Business in South America>

Under the regulations of the Chilean Fisheries Act (Restriction of Entry of Vessels), Since new entry of vessels into the Chilean waters is prohibited, this business enables a differentiated fishing industry that guarantees the sustainability of resources.

FY2024 Initiatives : Marine Products Business(Aquaculture)

We will strengthen the profitability of the Marine Products Business by increasing the sophistication and expansion of aquaculture.

Measures
to Improve
ROIC



Net Operating Profit After Tax	Efficiency, Optimization	(For Japanese Amberjack) We improve productivity by increasing production by converting to large-scale fish cages and streamlining operations.
		(For Tuna) We enhance profitability through collaboration between two aquaculture companies.
		To reduce the ratio of fishmeal and improve growth potential, we will continue to research and develop compound feed and pneumatic pumping of feed.
	Business Expansion	(Coho salmon, etc.) Expansion of aquaculture bases.
Capital Investment	High Additive Values	(For South America) We expand sales of high-value-added products for North America to enhance profitability.
	Advancement of aquaculture technology	We are expanding aquaculture for rapid growth (full-life cycle aquaculture of yellowtail and short-term cultivation of tuna).
		While there is a limit to suitable land for aquaculture, we will promote the development of land-based aquaculture.

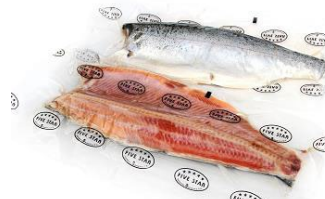
(Japan) Expansion of coho salmon farming bases.



In Hirota Bay,
(Rikuzentakata City) we
develop coho salmon
farming.



(South America) Build a resilient profit structure to market conditions by increasing production and sales of high-value-added products through optimization and reallocation of production personnel.



Increase fillet
production for North
America



Increase production of raw
food (sashimi) products for
Japan

FY2024 Initiatives : Marine Products Business(Processing Business)

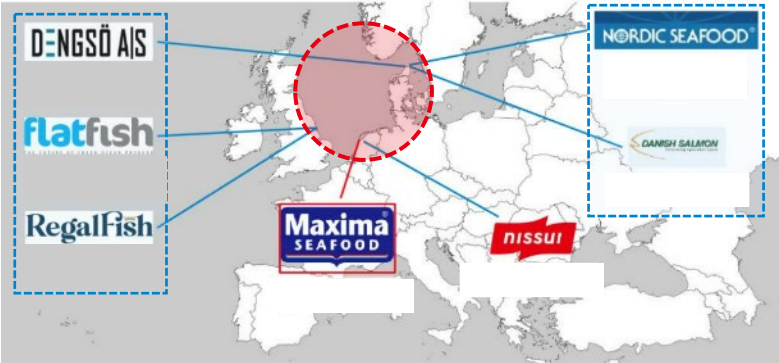
We aim to expand our overseas seafood business and strengthen its profitability.

Measures
to Improve
ROIC



Net Operating Profit After Tax	Processing and Trading business in Europe	In particular, we will respond to customer needs by strengthening its fresh fish procurement and processing functions around the North Sea to expand sales and strengthen profitability.
	Processing business in North America	Although we expect to continue to struggle due to sluggish product prices and high labor costs, we aim to secure profits by making further efforts to acquire resources and increasing the ratio of fillet production,
	Processing business in Japan	In addition to the promotion of initiatives in the aggregated distribution business, we will improve the ratio of processed product based on the processing base acquired in April.(Rikuzentakata City)
Capital Investment	Inventory Reduction	We manage better procurement and inventory globally.

(Europe) In particular, we will strengthen the fresh fish business around the North Sea to expand the Marine Products Business and increase profitability. We will also broaden exports of Japanese marine products such as scallops to maximize synergies between Japan and Europe.



We acquired Musashino Foods Co., Ltd. in Rikuzentakata City, Iwate Prefecture as a processing base.



FY2024 Initiatives :Marine Products Business (Processing Business in North America)

Labor costs continue to soar in addition to the decline in the prices of surimi and fillet, still it is an important base for resource access.

Surrounding Environment

- The market for surimi and fillet will continue to stagnate since the catch quota for North America will remain at the same level as the FY2023, and the prospect of an increase in production of Russian surimi.
- Hourly wages for temporary workers in the processing area (Dutch Harbor, Alaska) will remain high level, although they will decline slightly in 2024.

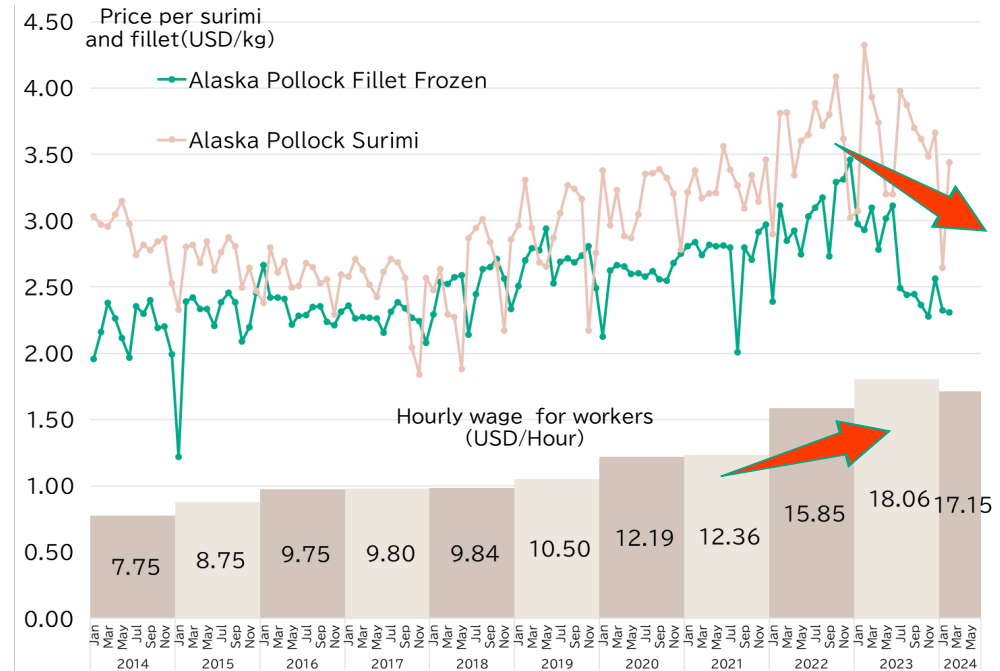
Initiatives

- **Increase the ratio of fillet production**
(Newly installed production line)

Leveraging the superiority of North American products to expand sales to the European and American markets

- **Reduce labor costs by optimizing personnel and controlling overtime hours**
- **Acquire access to Alaska pollock resources**

<North America Surimi and Fillet Export Statistics and Worker Hourly Wage>



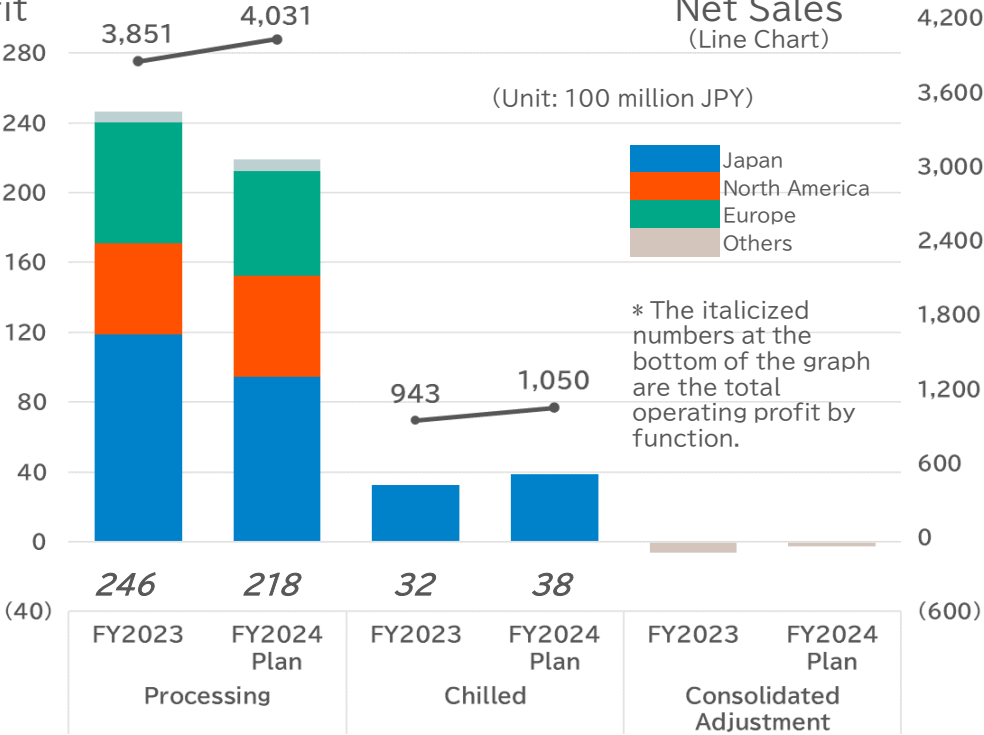
FY2024 Initiatives : Food Business

Chilled businesses expect to expand due to the inbound effect, etc. In Processing Business, we anticipate declining raw material prices in Japan and overseas. However, the plan factors the yen depreciation, soaring logistics, and promotion costs as a countermeasure against declining sales volumes.

Unit: 100 million JPY	FY2023	FY2024 Plan	Y-on-Y	
			(Amount)	(%)
Net Sales	4,432	4,705	272	6.1
Operating Profit	272	255	(17)	(6.6)

Operating profit
(Bar Chart)

Net Sales
(Line Chart)



FY2024 Initiatives : Food Business (Japan)

In addition to meeting the needs of our customers, we will develop products that contribute to solving various social issues.

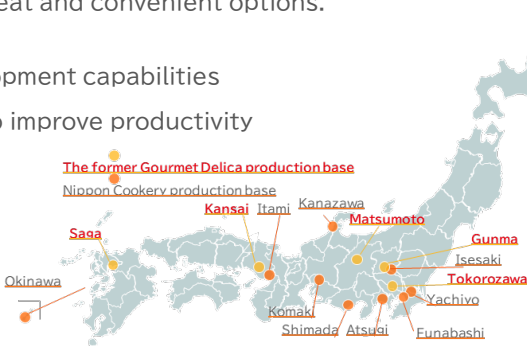
Measures
to Improve
ROIC



Net Operating Profit After Tax	health category products	We aim to expand the sales of health supplements based on proprietary technologies, such as fast-twitch muscle protein and EPA-enriched products.
	Business Expansion	Expand the No. 1 product group in the category and create new categories such as frozen infant food and pet food.
	Chilled	We strengthen and expand our business by sharing know-how with Gourmet Delica, which joined the Group last year, and strengthening our development capabilities. We create a new category through the fusion of chilled and frozen foods.
Capital Investment	Improvement of asset efficiency	We continue implementing revenue and expenditure management on an item-by-item basis to improve productivity.
		Optimization of the production system in the chilled business.
		Productivity Improvement activities at factories, promotion of Smart Work 2025, and reorganization of functions.

We are expanding the chilled business to meet the increased demand for ready-to-eat and convenient options.

- Strengthening our product development capabilities
- Optimizing production facilities to improve productivity
- Expanding the coverage area, Improving delivery efficiency



Expand frozen, chilled products / frozen lunch boxes and frozen prepared meals to meet the needs of individual meals and convenience.

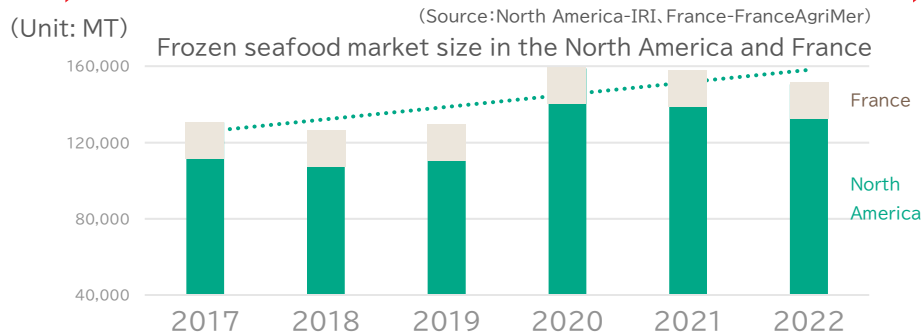


One plate frozen foods easily cooked in the microwave
(Released in March 2024)

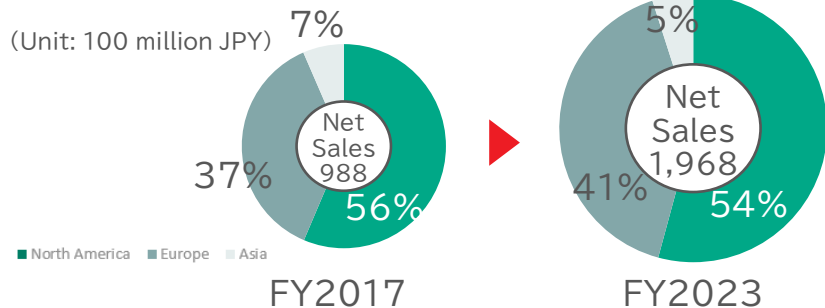
FY2024 Initiatives : Food Business (Overseas)

In Europe and North America, where demand is expanding, the company aims to grow its top line by expanding categories and areas based on its global supply chain.





▶ Market size in Europe and the United States



▶ International net sales of the Nissui Group



▶ Our Strategy (Europe and the North America)

New Markets	<p>Spain</p> <p>(Cité Marine S.A.S)</p> <p>Expansion of sales area to Italy and Spain</p> 	<p>North America</p> <p>(King & Prince Seafood Corporation)</p> <p>Taking advantage of commercial use channels, expansion of new products and Asian-foods markets</p> 
	<p>France</p> <p>(Cité Marine S.A.S)</p> <p>Speedy product development and high-quality chilled fried white-meat fish</p> <p>North America</p> <p>(Gorton's, Inc.)</p> <p>No. 1 "GORTON'S" brand of fried white-meat fish in North America</p>	<p>North America</p> <p>(Gorton's, Inc.)</p> <p>Expansion of health category products and fried shrimp categories utilizing the No. 1 "GORTON'S" brand</p>  
Existing Products		New Products

White-meat fish supply chain supporting overseas Food Business expansion strategy (UniSea, EMDEPES, Nordic Seafood, etc)

FY2024 Initiatives : Food Business (Overseas)

We will expand our growing international food business.

Measures
to Improve
ROIC



Net Operating Profit After Tax	North America	In addition to expanding product categories (household shrimp fries, commercial white-meat fish products), we will expand sales of health category products such as "Air Fried" and products for the Asian market.
	Europe	In addition to expanding sales channels centered on fresh, chilled foods, we expand sales area to countries surrounding France, such as Spain and Italy.
Capital Investment	Increased production capacity	Plans to invest in capacity expansion in Europe and the U.S. to meet growing demand. (Scheduled to start operations in 2025)
	Develop new markets	We will formulate a new strategy for the Asian market by the end of FY2024.

<Europe>

We will expand production capacity and enhance profitability by improving delivery efficiency and automating packaging equipment.



<North America>

In addition to investing in increasing production capacity, we will improve the efficiency of raw material procurement and product sales and optimize production items.



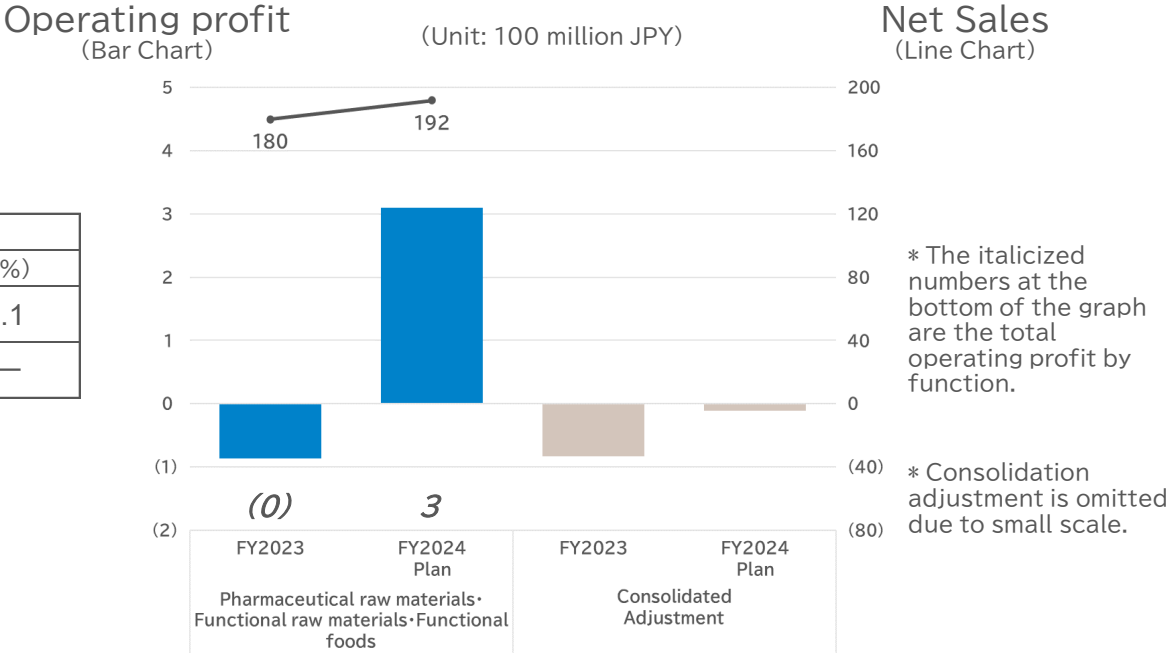
Expanding production capacity, we plan to grow the Food Products Business overseas.



FY2024 Initiatives : Fine Chemicals Business

The company is promoting the overseas expansion of the pharmaceutical raw materials business. However, we have not factored its expected sales into the plan yet because it is difficult to predict the timing of approval in Europe or the resumption of exports to the US. The mail-order business would be affected by the red yeast koji scandal currently caused by a pharmaceutical company in Japan.

Unit: 100 million JPY	FY2023	FY2024 Plan	Y-on-Y	
			(Amount)	(%)
Net Sales	156	165	8	5.1
Operating Profit	(1)	3	4	—



FY2024 Initiatives : Fine Chemicals Business(Global Expansion of Pharmaceutical Raw Materials)

We will expand the production of high-purity EPA and pharmaceutical intermediates* for pharmaceuticals around the world.

Europe

Completed application for approval for Europe

- We are responding to questions from the EMA (European Medicines Agency).

Japan

Expect Growing Demand for EPA's New Dosage Form

- Promote exports of pharmaceutical intermediates*



We will establish a production system to respond to the increase in shipments.

United States

Wait for shipments to resume

- As soon as the inventory of the customer is appropriate, we resume exports.

Asia

Commencement of preparation for application for the Chinese market

* Pharmaceutical intermediates:
EPA ethyl ester with a certain amount of EPA concentration for pharmaceuticals.
The intermediates of high-purity EPA APIs.

FY2024 Initiatives: Fine Chemicals Business (Mail order/Product Sales)

In mail-order sales, we introduce a point program for customers to keep them loyal. Although the mainstay of the Fine Chemicals Business is bulk sales of refined fish oil for commercial use, we will work to transform the business structure by increasing the sales ratio of high-value-added products with our strengths of refining technology for EPA and DHA.

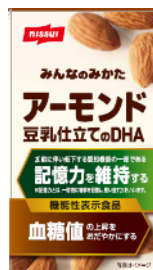
<Main Health Food Lineup>

Mail order

【 EPA-Based 】



【 DHA-Based for Brain Function 】



【 Fast-Twitch Muscle Protein 】



Product Sales

【 EPA gummies 】



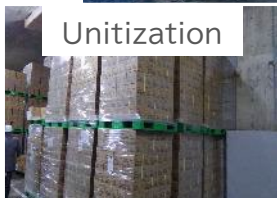
Available through both mail-order and mass-market sales channels

FY2024 Initiatives : General Distribution

Various measures are being taken to address the impact of a significant decrease in resources due to the tightening of the upper limit on overtime working hours.

▶ Trunk Line Transportation

- Improving the efficiency of cargo handling work (unitization of transportation)
- Splitting long-distance transportation and shifting to trailer relay operations (Utilization of Modal Shift and Relay Bases)



▶ Area Delivery

- Extended delivery led times to destinations over 200 km
- Eliminate ancillary work at the time of delivery and improve delivery efficiency



Elimination of incidental work at the time of delivery, & Promoting White Logistics



▶ Reduction of Waiting

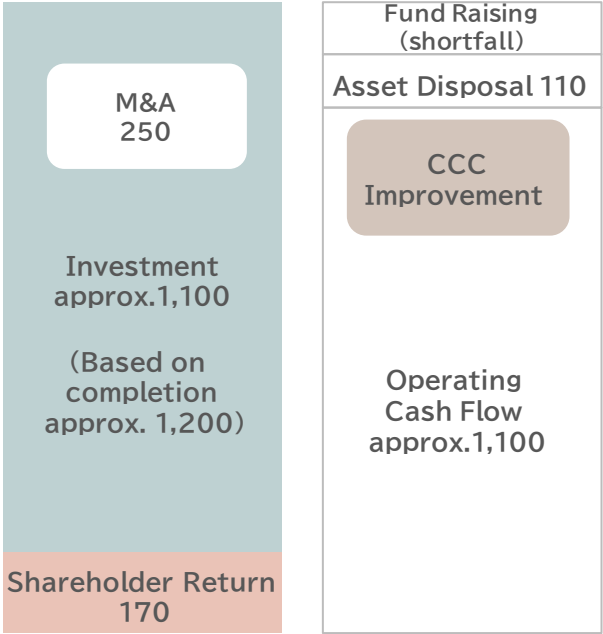
- Introducing a berth reservation system and save waiting time



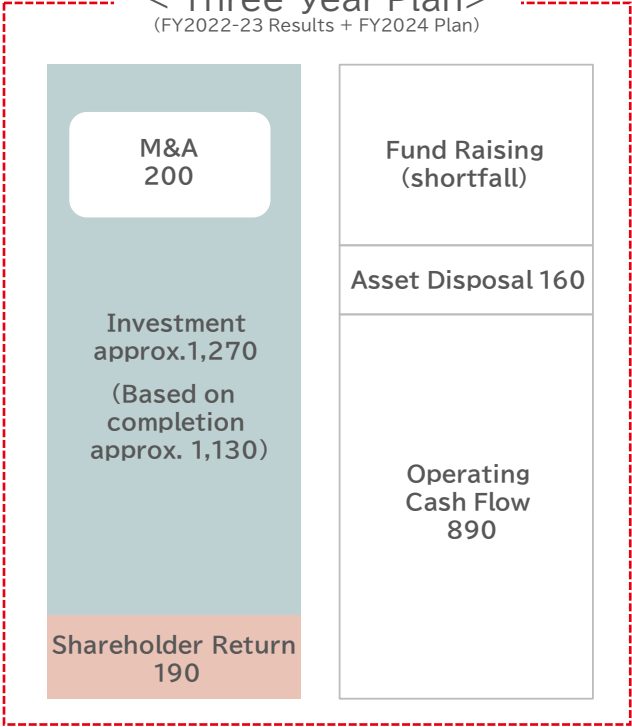
Financial Strategy, Cash Allocation

The amount of investment increased compared to the medium-term management plan, partly due to the acquisition of additional shares to expand European businesses, etc.

< Mid-term Business Plan >
(Unit: 100 million JPY)



< Three-year Plan >
(FY2022-23 Results + FY2024 Plan)

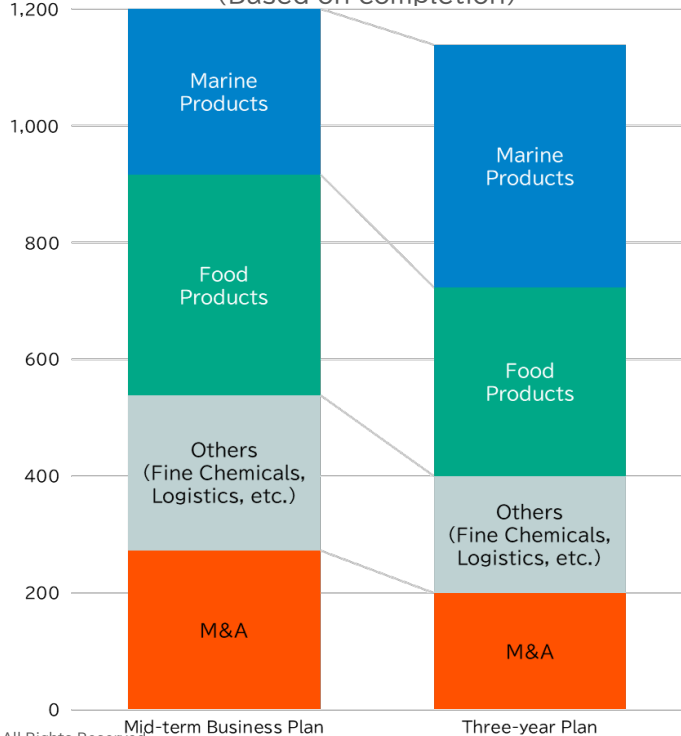


Capital Investment Plan (FY2022-23 Results + FY2024 Plan)

Aggressively invest in growth areas such as strengthening access to resources, including aquaculture, and overseas business.

Breakdown of Investments
(Based on completion)

(Unit: 100 million JPY)



▶ The total amount of capital investment planned for the three-year period (2022-24) includes M&A 20 billion yen. The amount is almost the same as the scale of investment set forth in the Mid-term Business Plan.

— Marine Products Business: Approximately 41 billion yen

Differences from the Mid-term Business Plan: Overseas Processing and Trading ... M&A implementation, etc. (+approx. 6 billion yen)
Fisheries in Japan... Ship construction, etc. (+approx. 3 billion yen)

— Food Products Business : Approximately 32 billion yen

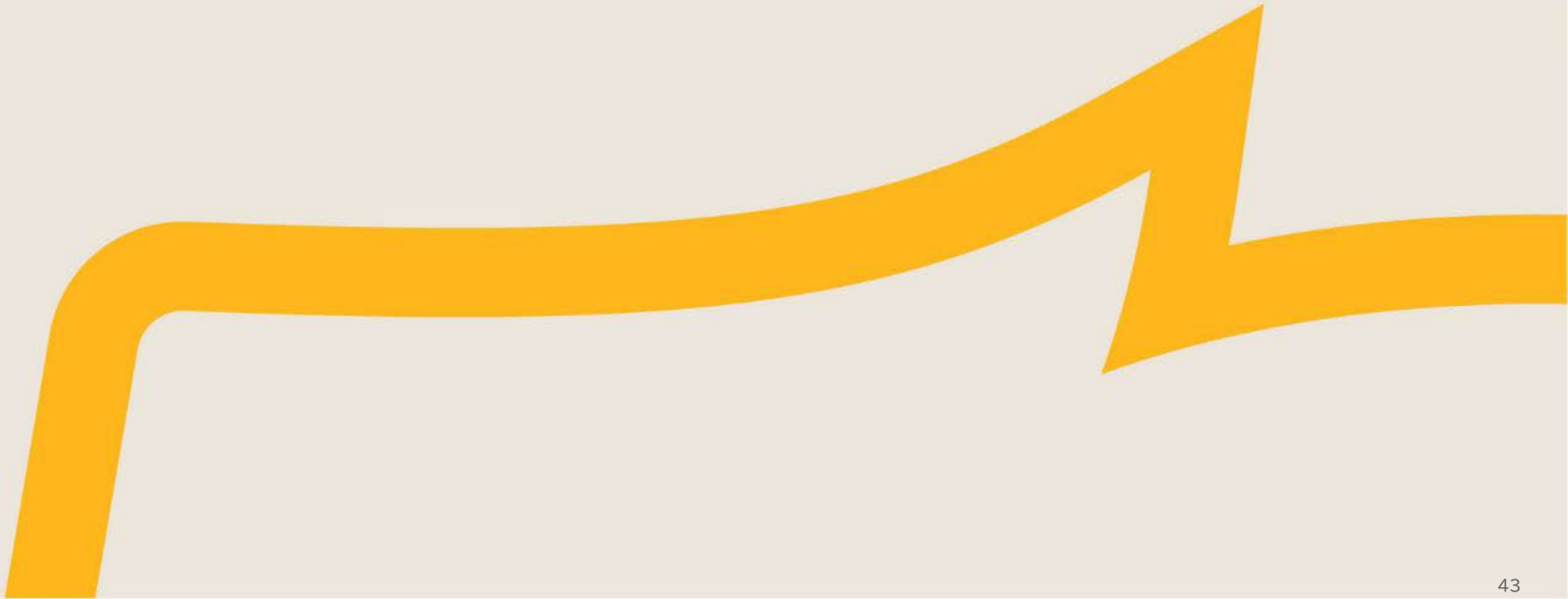
Differences from the Mid-term Business Plan: Japan... Lag in the investment period for plant restructuring
Overseas... Failure to realize M&A in North America, investment in new plants in Europe (shift to expansion of existing plants)

— Others: Approximately 40 billion yen

Differences from the Mid-term Business Plan: Logistics... Investment in the construction of a new distribution center has not been realized.
Fine chemicals... Impact of Nissui Pharmaceutical Consolidation Exclusion

M&A... Assuming M&A mainly overseas

Sustainability Initiatives



Environmental Investments

We will strengthen measures against global warming, which is also a concern about the impact on marine resources.

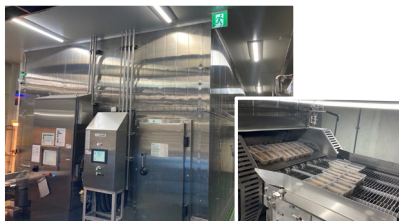
- ▶ We will introduce solar power generation equipment and natural refrigerant freezing and refrigeration equipment to reduce greenhouse gas emissions.

<Main examples of environmental investment >

Implemented in FY2023 (approximately 1.7 billion yen)



Introduction of solar power generation equipment (domestic and foreign food products, etc.)



Eliminate fluorocarbons and switch to natural refrigerants by updating equipment (domestic foods, etc.)

Plan in FY 2024 (approximately 2 billion yen)



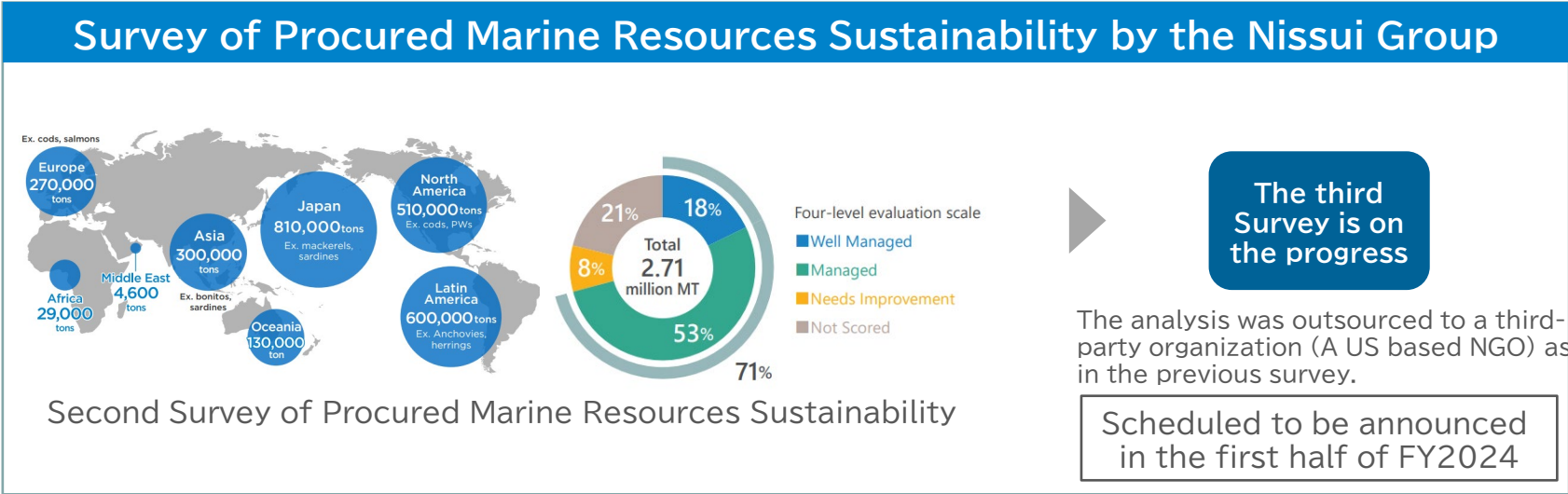
Introduction of solar power generation equipment (domestic aquaculture, logistics, etc.)



Eliminating CFCs and upgrading to natural refrigerant equipment (logistics, etc.)

Survey of Procured Marine Resources Sustainability

In 2022, the Nissui Group conducted the Third Survey of Procured Marine Resources Sustainability. The survey results and future initiatives will be announced in the first half of FY2024.

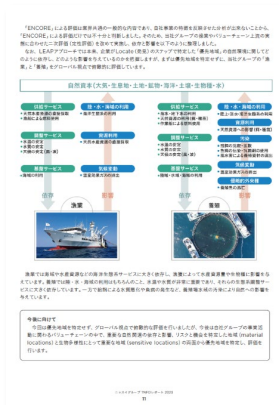


Based on the survey results, we will formulate measures to ensure and improve the sustainability of the target fish species. We will utilize this information in future initiatives to increase our sustainable procurement ratio.

Disclosure of Nature-Related Information:TNFD

In FY2023, we will work on the LEAP approach of TNFD to understand our dependence on nature and impacts and assess risks and opportunities. We were registered as a TNFD Early Adopter and the first in the industry to disclose TNFD information.

Issuance of TNFD Report (Japanese and English)



JPN <https://nissui.disclosure.site/ja/themes/89#469>

ENG <https://nissui.disclosure.site/en/themes/89#469>

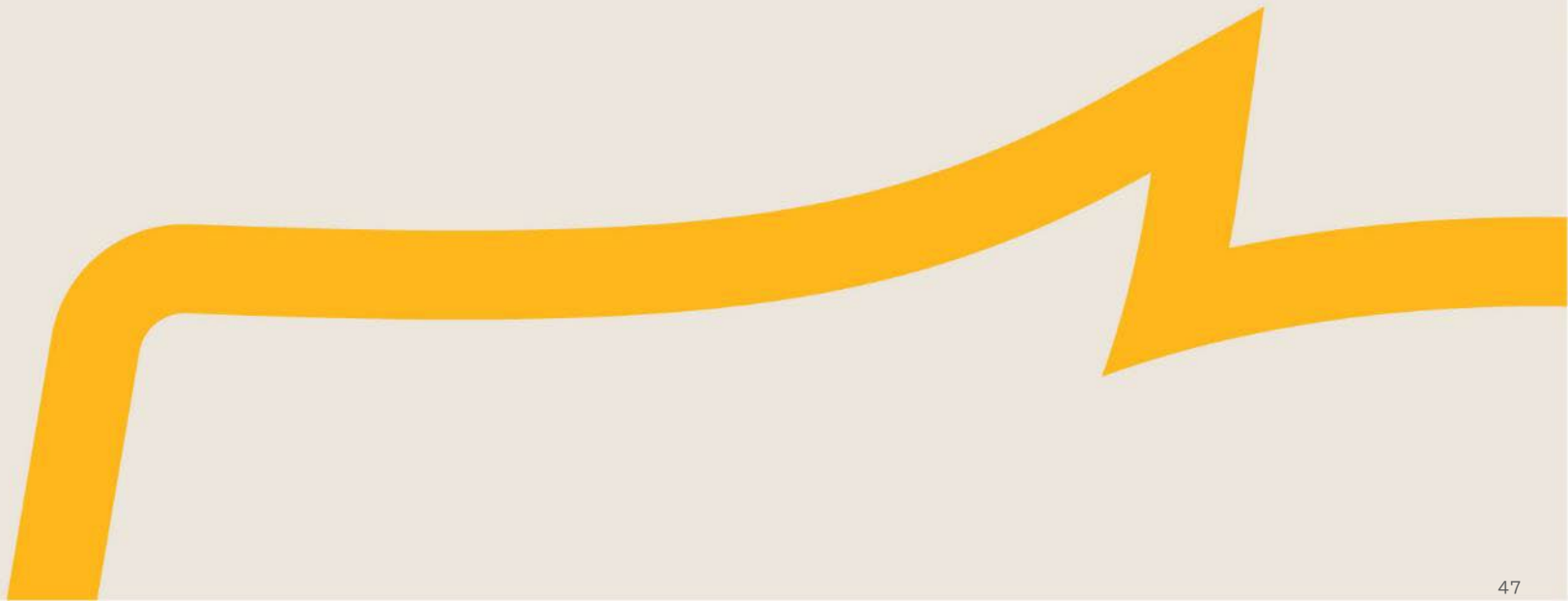
Register as a TNFD Early Adopter

Organisation and Jurisdiction HQ	TNFD-aligned disclosure(s) by financial year	Sector Classification (SASB)	Type of Institution
Nissui Corporation Japan	Early Adopter 2025	Fisheries	Corporate

Source: TNFD <https://tnfd.global/engage/inaugural-tnfd-early-adopters/>

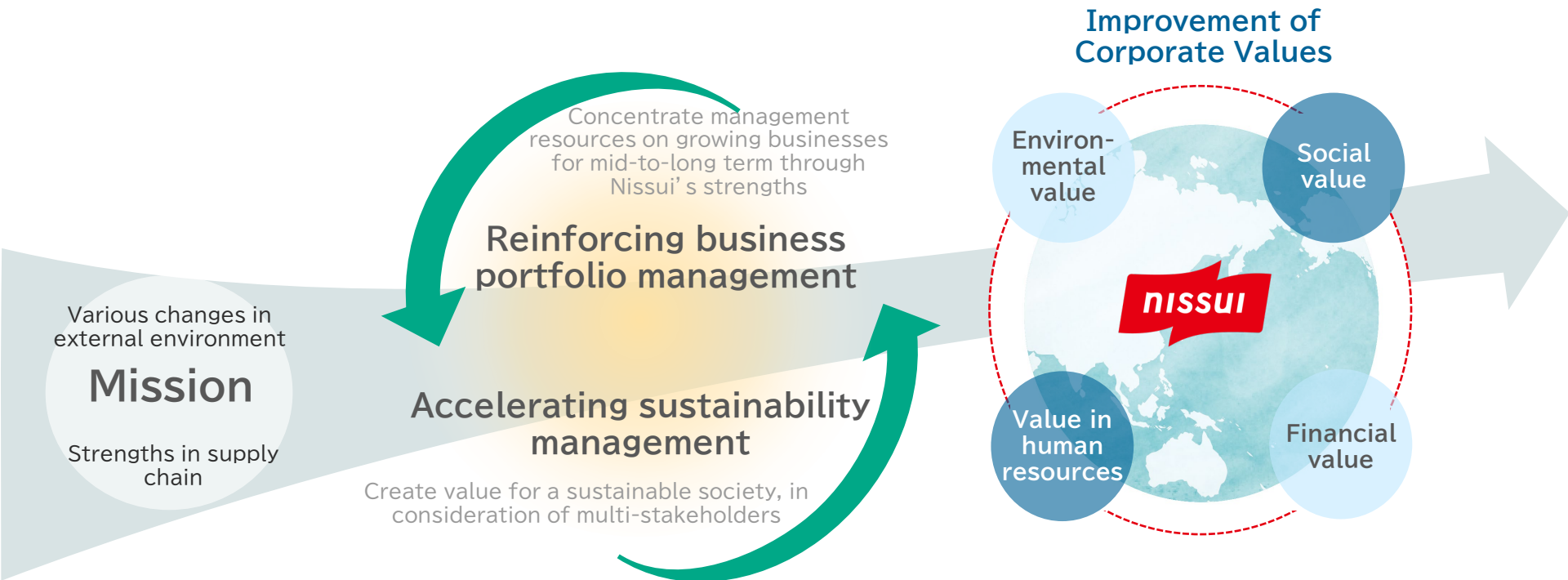
Based on the evaluations and opinions received from our stakeholders, we will work on new analyses and assessments for the next TNFD report.

For the Next Mid-term Business Plan



Long-Term Vision for 2030 - Announced in April 2022 -

“A leading company that delivers friendly foods for people and the earth” (Good Foods 2030) is what we want to be in 2030.



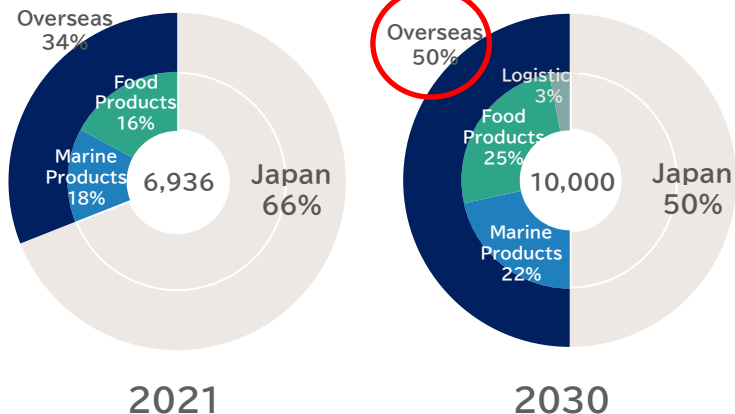
2030 Business Portfolio

We aim to achieve an operating profit of 50 billion yen by accelerating growth in the overseas (food and marine products) business and strengthening the fine chemicals and aquaculture businesses.

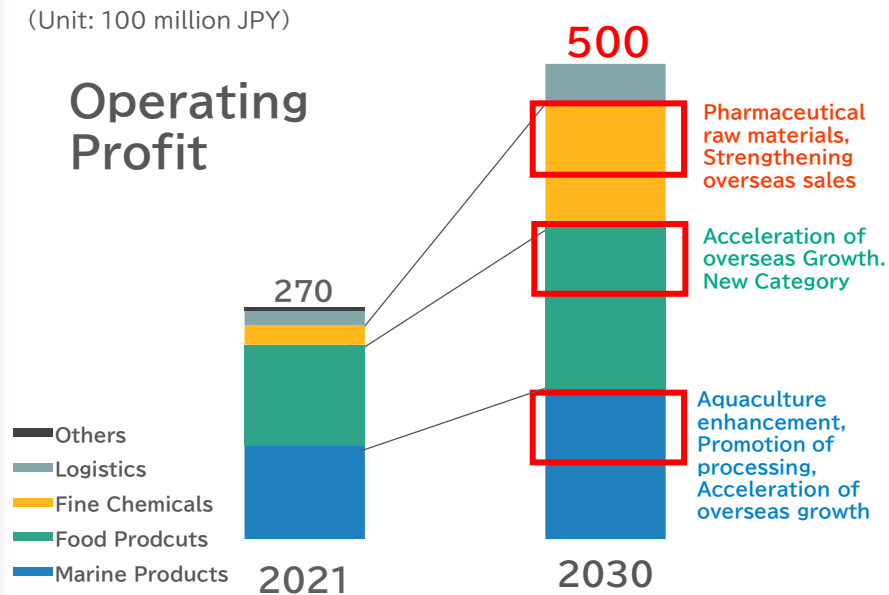
▶ In addition to accelerating growth in the overseas (food and marine products) business, we aim to achieve an operating profit of 50 billion yen by strengthening the fine chemicals and aquaculture businesses.

Financial Value

Net Sales



Operating Profit



Next Mid-term Business Plan, Good Foods Recipe2

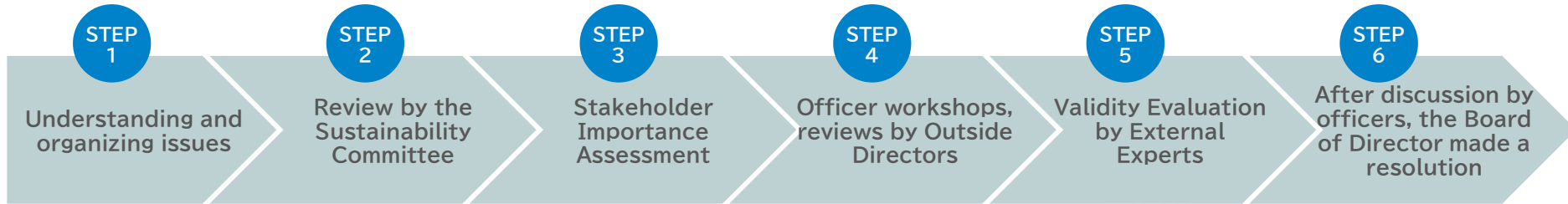
We will begin formulating Recipe 2 in FY2024 including a review of prioritized issues to achieve the long-term vision.



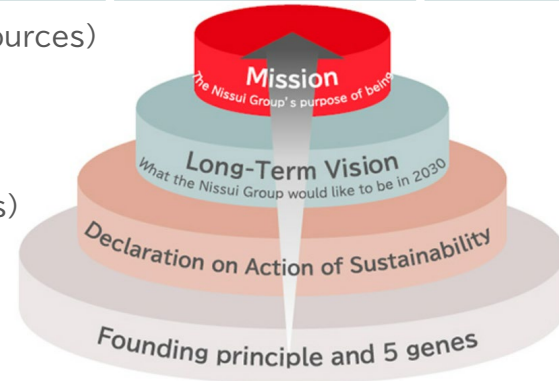
Necessity and Process for Reviewing Materiality

Seven years have passed since the previous materiality, and the external environment has changed.

▶ To respond to changes in the internal and external environment, we reviewed materiality in line with our mission and long-term vision.




- Selection and Concentration (Allocation of Management Resources)
- Suggestions from stakeholders
- Strengthen risk management (Selection of important risks linked to management strategies)
- Global Group's perspective
- Utilize in the next medium-term management plan



New Material Issues for the Nissui Group

Based on our mission and long-term vision and the materiality reviewed, we will proceed with the formulation of the next Mid-term Business Plan, "Good Foods Recipe 2" from FY2025.

	Material Issues	Core Initiatives
<p>Recipe for the Planet</p> <p>Create a Sustainable Global Environment</p>	Driving the mainstreaming of marine biodiversity	<ul style="list-style-type: none"> • Conserve marine biodiversity and the marine environment • Use marine resources sustainably
	Contributing to a decarbonized and circular economy	<ul style="list-style-type: none"> • Address climate change • Contribute to a circular economy (e.g., reduce food loss and plastic usage)
<p>Recipe for Society</p> <p>Build a Healthy Society Together</p>	Structuring a sustainable supply chain	<ul style="list-style-type: none"> • Promote sustainable procurement (e.g., ensure traceability, respect human rights, and consider the environment) • Maintain food safety and security, and quality assurance
	Resolving health issues	<ul style="list-style-type: none"> • Expand the portfolio of health category products
<p>Recipe for Teammates</p> <p>Foster Passionate Professionals</p>	Developing human capital and empowering diverse personnel	<ul style="list-style-type: none"> • Link human capital strategy to management strategy • Champion diversity and inclusion
	Securing a stable workforce and improving productivity	<ul style="list-style-type: none"> • Reform work styles, reduce labor requirements, and improve productivity • Ensure occupational safety and health management
	Embracing our mission and establishing our brand	<ul style="list-style-type: none"> • Share our mission and establish our brand • Raise employee engagement
<p>Recipe for Growth</p> <p>Pioneer the Future by Pursuing New Possibilities in Food</p>	Innovating through digital transformation	<ul style="list-style-type: none"> • Improve operational efficiency by utilizing digital technologies • Leverage digital transformation to innovate and establish competitive advantages
	Accelerating global operations	<ul style="list-style-type: none"> • Accelerate international business operations • Respond to geopolitical risks
	Generating innovations related to food	<ul style="list-style-type: none"> • Create innovative food solutions



Nissui will work to enhance our adaptability to change and strive towards the long-term vision of becoming **a leading company that delivers friendly foods both for people and the earth, "Good Foods 2030."**

Disclaimer Regarding Forward-Looking Statements

This presentation contains forward-looking statements regarding Nissui's business projections for the current term and future terms. All forward-looking statements are based on the rational judgment of management derived from the information currently available, and the Company provides no assurances that these projections will be achieved.

Please be advised that the actual business performance may differ from these business projections due to changes in various factors. Significant factors affecting the actual business performance include but are not limited to the changes in the market economy and product demand, foreign exchange rate fluctuations, and amendments to various international and Japanese systems and laws.

Accordingly, please use the information contained in this presentation at your discretion. The Company assumes no liability for any losses that may arise due to the use of this presentation.



まだ見ぬ、食の力を。

Nissui Corporation

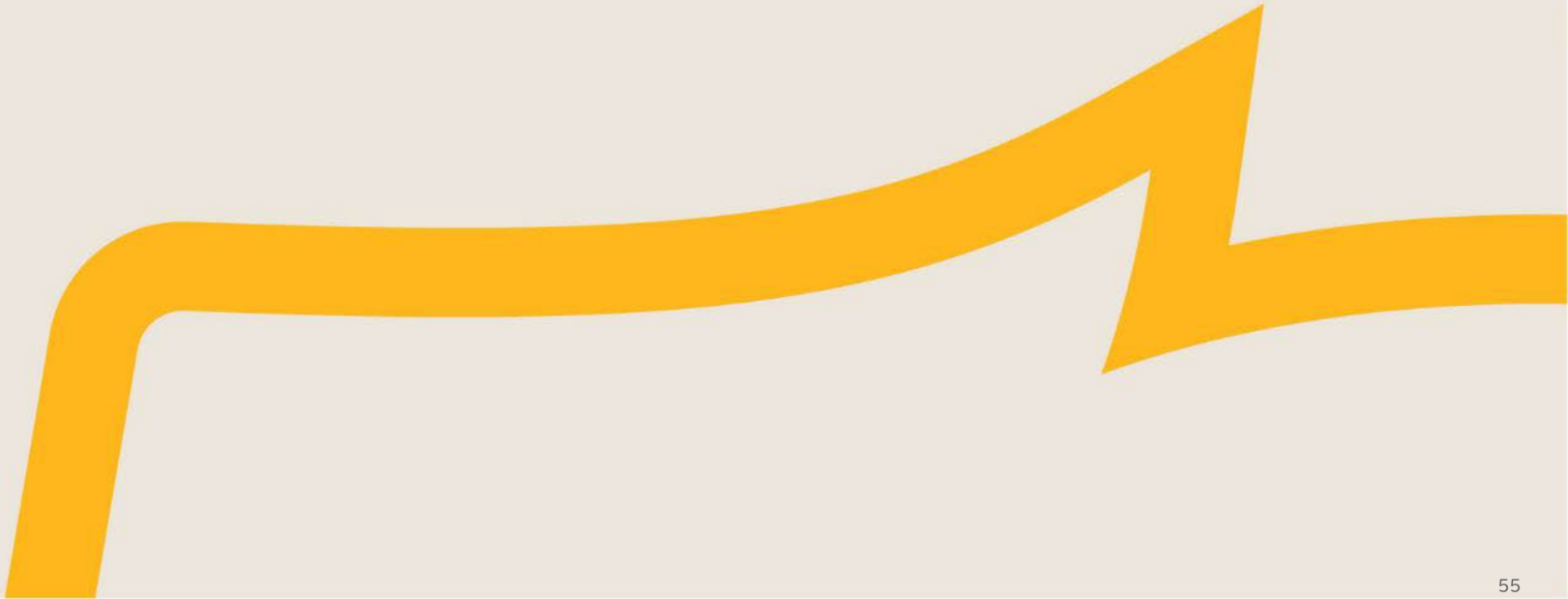
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Corporate Strategic Planning & IR Department

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<https://www.nissui.co.jp/english/index.html>

Appendix



Consolidated Profit & Loss Statement of FY2023 (Y-on-Y)

(Unit: 100 million JPY)	FY2022	FY2023	Y-o-Y	Main causes of fluctuations
Net Sales	7681	8313	631	
Gross Profit	1160	1256	95	
SGA Expenses	915	959	44	
Operating Profit	244	296	51	
Non-operating profit	53	55	2	
Non-operating expenses	20	32	12	Gain on interest expense 13
Ordinary Profit	277	319	41	
Extraordinary profit	67	56	(10)	Gain on sale of investment securities 12 Gain on transfer of fishing rights 9 Gain on sale of investment securities of affiliates(34)
Extraordinary losses	51	28	(23)	Loss on liquidation of affiliates(5) Loss on disaster(4) Loss on sale of investment securities(3)
Profit before income taxes	292	348	55	
Income taxes - current	78	113	34	
Income taxes - deferred	(6)	(11)	(5)	
Profit	220	246	26	
Profit attributable to non-controlling interests	7	8	0	
Profit attributable to owners of parent	212	238	26	

Impact of Currency Translation (Net Sales), Exchange Rates(Before Consolidated adjustment) of FY2023

Exchange rate among overseas subsidiaries	FY2022		FY2023		Y-on-Y		Breakdown (Unit:100 million JPY)	
	Local Currency	JPY (100 million)	Local Currency	JPY (100 million)	Local Currency	JPY (100 million)	Local Currency	Impact of exchange rate
USD (million)	1,458	1,921	1,483	2,089	24	167	28	139
EUR (million)	418	579	457	700	39	120	53	66
DKK (million)	3,703	690	3,280	673	(423)	(17)	(80)	63
Other Currencies	—	309	—	354	—	45	18	26
Total		3,501		3,817		315	20	295

Note) The foreign exchange rate on the right table is the average.

	4Q of FY2022	4Q of FY2023	Variation
USD	139.94 JPY	146.14 JPY	4.4%
EUR	144.21 JPY	159.10 JPY	10.3%
DKK	19.39 JPY	21.33 JPY	10.0%

Segment Matrix of Net Sales of FY2023 (Y-on-Y)

(Unit: 100 million JPY)

	Japan		North America		South America		Asia		Europe		Sub Total		Consolidated Adjustment		Grand Total	
Marine Products	2,482	<i>105</i>	660	<i>53</i>	359	<i>12</i>	63	<i>(6)</i>	763	<i>5</i>	4,328	170	(960)	<i>(85)</i>	3,368	85
	2,377		606		346		69		758		4,158		(874)		3,283	
Food Products	2,826	<i>383</i>	1,067	<i>100</i>			97	<i>9</i>	803	<i>144</i>	4,795	638	(362)	<i>(25)</i>	4,432	612
	2,443		966				88		659		4,157		(337)		3,820	
Fine Chemicals	180	<i>(93)</i>					0	<i>(4)</i>			180	(98)	(23)	<i>4</i>	156	(94)
	274						4				279		(28)		251	
General Logistics	288	<i>(0)</i>									288	(0)	(135)	<i>(2)</i>	152	(2)
	288										288		(133)		154	
Others	259	<i>12</i>					1	<i>0</i>			260	13	(58)	<i>17</i>	202	30
	246						1				247		(75)		171	
Sub Total	6,036	407	1,727	154	359	12	163	(1)	1,567	150	9,854	723				
	5,629		1,572		346		164		1,417		9,131					
Consolidated Adjustment	(1,009)	<i>(73)</i>	(184)	<i>(35)</i>	(216)	<i>9</i>	(114)	<i>3</i>	(17)	<i>3</i>			(1,540)	<i>(91)</i>		
	(935)		(148)		(226)		(117)		(21)				(1,449)			
Grand Total	5,027	333	1,543	119	143	22	49	2	1,550	153					8,313	631
	4,693		1,424		120		47		1,396						7,681	

※The upper columns indicate the result of current year and the lower columns indicate that of previous year. The Italic and bold figures mean increase/decrease.

※Consolidated adjustment include elimination between the group companies.

Segment Matrix of Operating Profit of FY2023 (Y-on-Y)

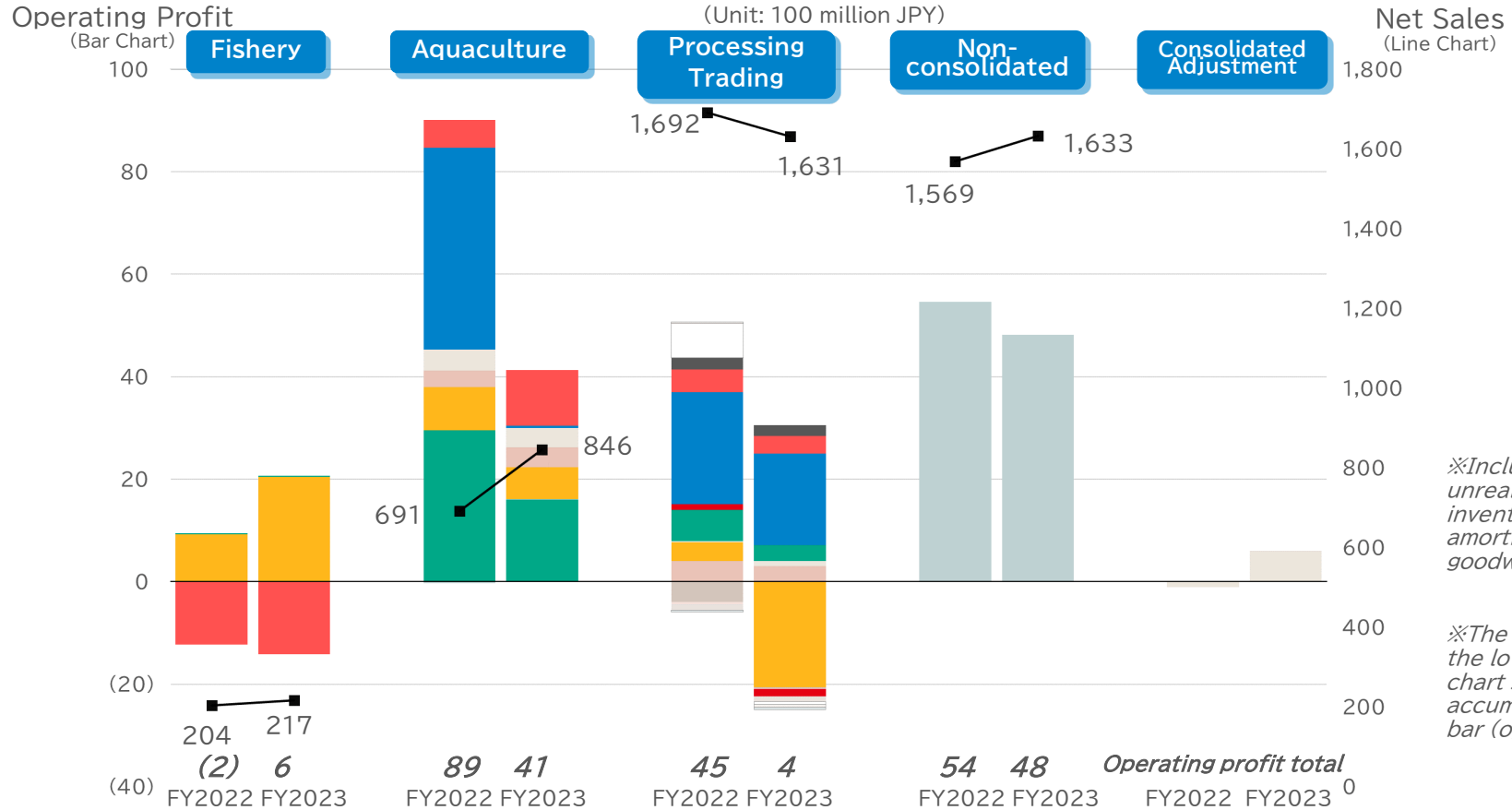
(Unit: 100 million JPY)

	Japan	North America	South America	Asia	Europe	Common Costs	Sub Total	Consolidated Adjustment	Grand Total	Ratio of operating profit to net sales(%)
Marine Products	108 (8)	(11) (28)	(15) (43)	1 (0)	17 (4)		100 (85)	6 7	106 (78)	3.2 (2.5)
	117	17	27	2	21		186	(1)	185	5.7
Food Products	151 108	52 20		6 0	69 33		279 163	(6) (4)	272 158	6.2 3.2
	42	31		5	35		115	(1)	114	3.0
Fine Chemicals	(0) (17)			(0) (0)			(0) (18)	(0) (0)	(1) (18)	(1.1) (8.0)
	16			0			17	0	17	6.9
General Logistics	15 (0)						15 (0)	0 (0)	15 (0)	10.1 (0.2)
	15						15	0	15	10.3
Others	7 (0)			0 (0)			7 (1)	0 1	7 0	3.9 (0.6)
	8			0			8	(0)	7	4.4
Common Costs						(105) (8)	(105) (8)	0 (0)	(104) (8)	
						(96)	(96)	0	(95)	
Sub Total	281 81	41 (8)	(15) (43)	7 (1)	86 29	(105) (8)	296 49			
	200	49	27	9	56	(96)	247			
Consolidated Adjustment	(2) (3)	1 2	6 5	0 1	(6) (4)	0 0		(0) 2		
	0	(1)	0	(0)	(1)	0		(2)		
Grand Total	279 78	42 (5)	(9) (37)	8 (0)	80 25	(104) (8)			296 51	3.6 0.4
	200	48	28	8	55	(96)			244	3.2

※The upper columns indicate the result of current year and the lower columns indicate that of previous year. The Italic and bold figures mean increase/decrease.

※Consolidated adjustment includes amortization of goodwill and unrealized income in inventory, etc.

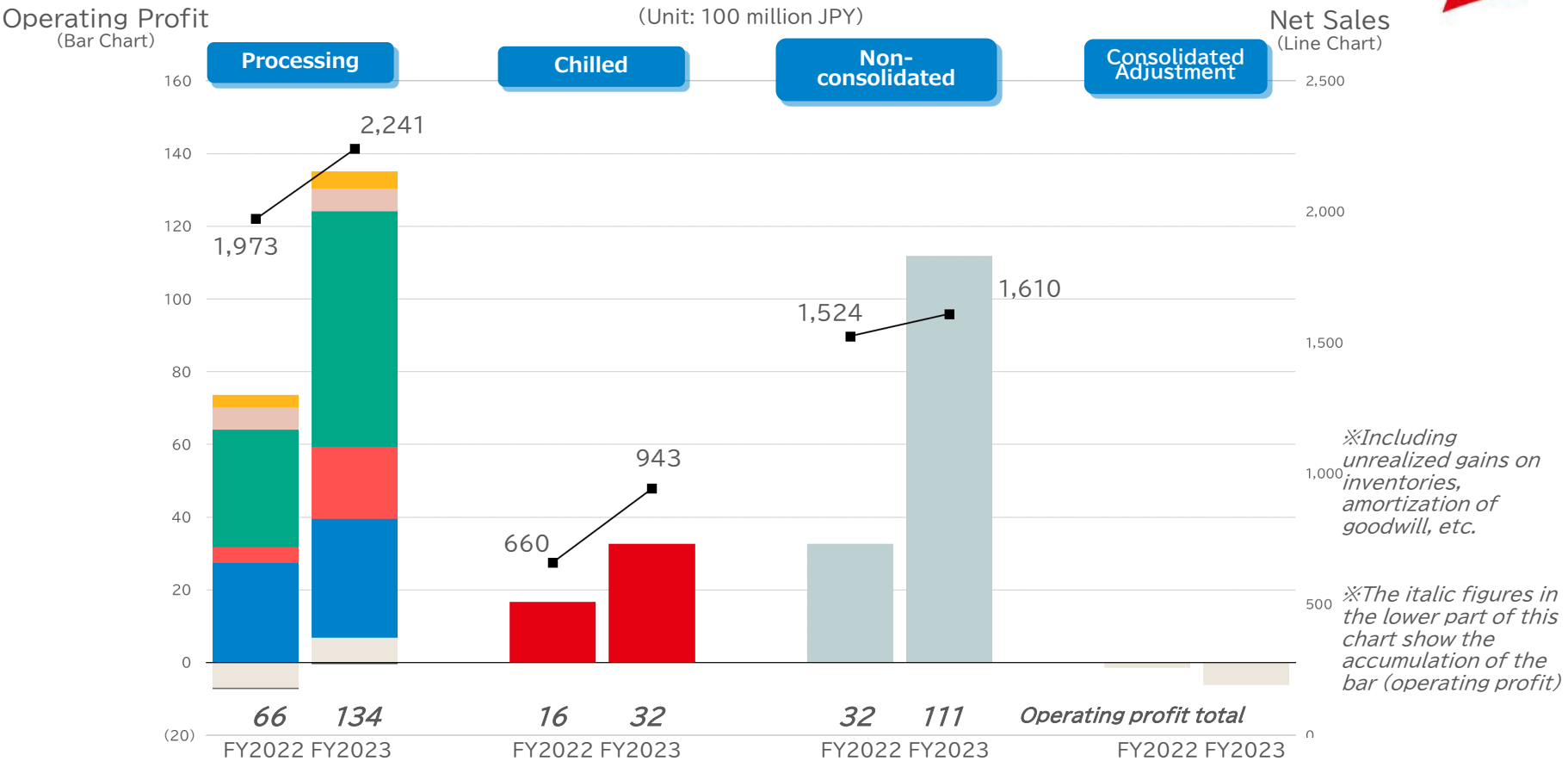
Marine Products Business of Net Sales and Operating Profit (Y-on-Y) of FY2023



※Including
unrealized gains on
inventories,
amortization of
goodwill, etc.

※The italic figures in the lower part of this chart show the accumulation of the bar (operating profit)

Food Products Business of Net Sales and Operating Profit (Y-on-Y) of FY2023





まだ見ぬ、食の力を。