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Review of Medium-term Business Plan WeWill 2021

Although our operating environment has changed significantly, the temperature-controlled logistics business achieved record-high consolidated net sales and operating profit in FY2022. In Japan, household-use products remained strong, and we made progress in improving operational efficiency, resulting in steady performance. In the European logistics business, growth in results was driven by capturing Brexit-related demand for customs clearance, together with a recovery in consumption. Altogether, sales of our overseas logistics business exceeded ¥40 billion.

Under WeWill 2021, we strengthened our business structure as we were able to implement business process innovation and receive appropriate payments that reflect higher costs. We also made progress in joint logistics initiatives with frozen food manufacturers and others. As we generated business results, we were also able to make steady investments for growth, including the construction of a new large-scale distribution center in Japan, and M&A and expansion of warehouse capacity overseas.

Policies of Medium-term Business Plan Compass Rose 2024

In addition to having to deal with a labor shortage, Japan's logistics industry is about to enter a period of major change with the imminent "2024 Problem," when penalties will be imposed on trucking companies for exceeding the ceiling on working hours for truck drivers. Viewing this as both a significant challenge and a business opportunity, Nichirei has designated the three years of Compass Rose 2024 as a period for strengthening the business foundation for dramatic growth, and efforts are under way. In response to the 2024 Problem, we have begun developing the next-generation S&U Logistics System (SULS) with the aim of building new transportation and delivery infrastructure. We plan to start with trailer switching operations in Tokyo, Nagoya and Osaka, and then gradually expand to other areas. Because the 2024 Problem is a major issue, we believe it requires an integrated approach that includes a review of the frequency of individual operations and lead times. In one of our initiatives to reduce vehicle waiting time, we generated results during WeWill 2021 by introducing a truck loading dock reservation system and rolling it out to 30 facilities nationwide. Through similar ongoing initiatives, we aim to become an indispensable partner for our customers and to secure predominance in the industry.

SULS (Pages 36-37)

Truck Loading Dock Reservation System (Pages 38-39)

We will also continue working to strengthen our infrastructure in metropolitan areas. In addition to networking our facilities in the Kanto region, in the second half of 2023 we will start operations at a new facility in the Rokko district of Kobe that will mainly handle fruit juice and dairy products.

Moreover, as we continue our efforts from the previous medium-term business plan to promote business process innovation, we will further refine our measures for data-driven operations, automation and labor-saving, and upgrade our technical infrastructure with enhanced engineering. At the same time, we will work to accumulate intangible assets by improving job satisfaction, promoting diversity and conducting internal as well as external branding.

In our overseas business, we will work to grow both sales and profit. During WeWill 2021, we expanded facilities at three bases in the Netherlands and France and acquired temperature-controlled logistics companies in the United Kingdom and Poland. These

moves increased the total storage capacity of our operations in Europe by approximately 160,000 tons and enabled us to enhance the services they provide. Under Compass Rose 2024, we will generate synergies from these investments. By region, we will expand cargo collection in port areas in the Netherlands, offer one-stop services based on full-line functions in the United Kingdom, and use the networks of our enhanced infrastructure to improve transportation and delivery efficiency in France, Poland and Germany.

In Asia, we will continue our efforts from WeWill 2021 to steadfastly respond to the business expansion of our existing customers in China, where the need for temperature-controlled logistics is increasing, while further expanding our own business by rolling out our expertise to other areas. In the ASEAN region, we will ramp up cargo collection by providing support for multiple temperature ranges and value-added services at our newly expanded facility in Thailand. In Malaysia, we will work to expand business by strengthening collaboration between our Group company NL Cold Chain Network (M) SDN BHD, which has strengths in storage, and NL Litt Tatt Group Sdn Bhd, a company with strengths in transportation in which we have acquired an equity interest.

Material Matters for the Group

As stated in Compass Rose 2024, we will work to help resolve social issues with a business strategy centered on enhancing logistics services. Another material matter is climate change initiatives. We will meet social demand by steadily converting our own assets to natural refrigerants. Through capital investment and various measures to improve efficiency, we have reduced CO₂ emissions while growing our business. Going forward, we will also promote the use of renewable energy, including the installation of solar power generation equipment.



Business Scale

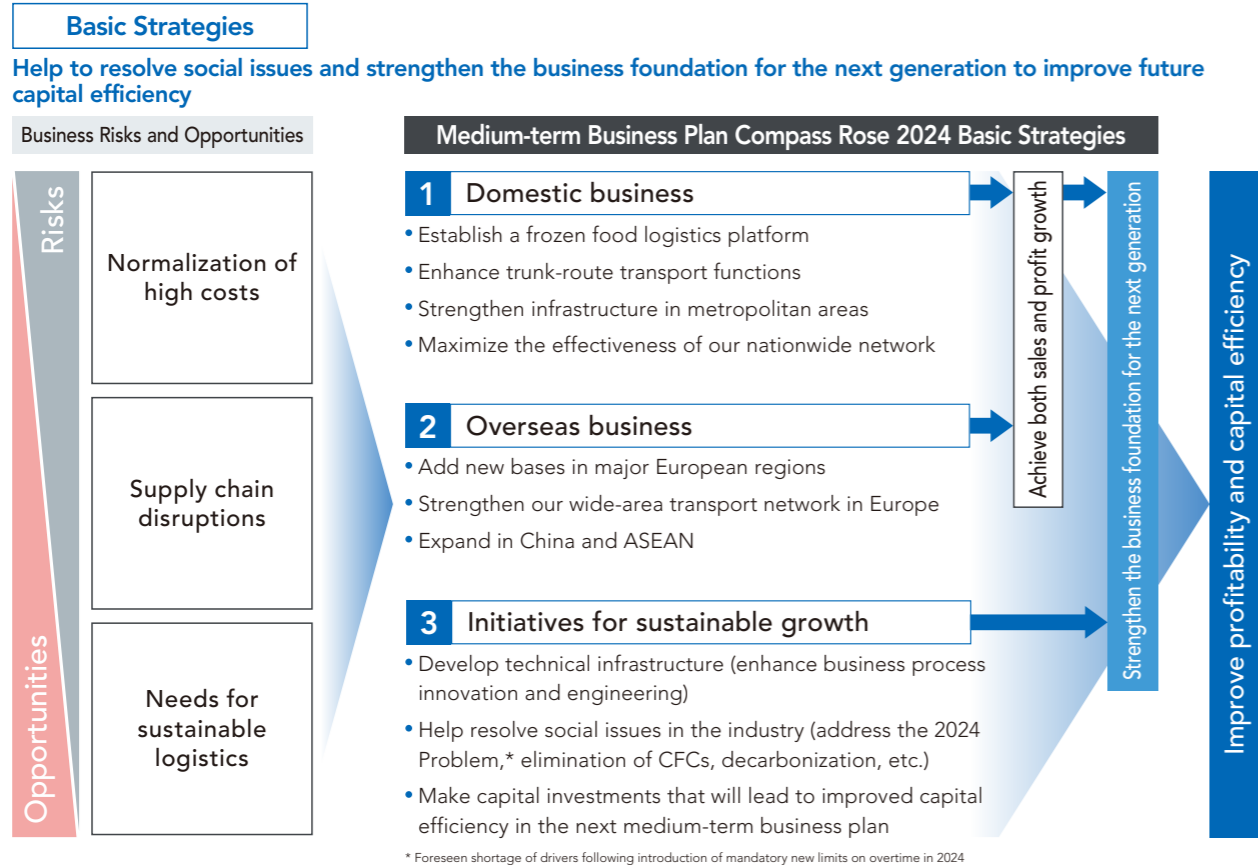
Total assets	¥194,503 million
Group companies	20 in Japan, 17 overseas (affiliates: 6 in Japan and 2 overseas)
Employees (consolidated)	4,609
Facilities	206 (Japan: 148, overseas: 58 46 in Europe, 8 in China, 1 in Thailand and 3 in Malaysia)
Main facilities	Distribution centers: Funabashi DC, Higashi-ogishima DC, Heiwajima DC, Daikoku DC, Nagoya Minato DC, Osaka Futo DC, Osaka Shinnanko DC Cross-docking centers: Kawasaki FAZ XD, Kansai XD
Main businesses	<ul style="list-style-type: none"> • Storage • Overseas business • Transportation • Third-party logistics (3PL) • Cross-docking (XD) • Engineering services

Advantages

Japan's leading advanced temperature-controlled logistics

- Full utilization of storage capacity and transportation and delivery network, enabling optimal solutions that help resolve social and customer issues
- Operational capabilities at logistics sites that provide ongoing support for food based on increasing value through better user experience

Temperature-controlled Logistics Business



1 (Domestic) Strengthen the business foundation for the next generation

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

2 (Overseas) Achieve both sales and profit growth

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

3 Initiatives for sustainable growth

- ▶ Develop technical infrastructure (enhance business process innovation and engineering)
 - Gain a competitive advantage by establishing business infrastructure that addresses the 2024 Problem
- ▶ Help resolve social issues in the industry
 - Promote environmental measures such as reducing CO₂ emissions and converting to natural refrigerants
 - Accelerate digitalization and proactively introduce automation and labor-saving technology
- Address the 2024 Problem
 - Implement measures for elimination of CFCs and decarbonization

Temperature-controlled Logistics Business Financial Targets

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

(Billions of yen)

Material Matter Enhancing Logistics Services

Making Our Advanced Logistics the Global Standard

Nichirei Logistics Group's European operations started with the acquisition of a cold storage company in Rotterdam, the Netherlands, in 1988. For more than 30 years, we have provided high-quality temperature-controlled logistics services, mainly to local companies in various parts of Europe, contributing to improvements throughout the supply chain in a wide area. Current sales are 3.5 times those of 20 years ago (FY2022 vs. FY2003). Including branches and sales offices, we have expanded to nine countries, and our refrigerated warehouse capacity has grown to the fifth largest in Europe. We will continue working to further deepen and expand our business, both qualitatively and quantitatively, as we strive to become an indispensable partner for our customers on a global scale.

Maximizing Investment Synergies in the European Business



Material Matter Climate Change Initiatives

Initiatives to Convert to Natural Refrigerants and Reduce CO₂ Emissions



Solar panels installed at the Honmoku Distribution Center of Kyokurei Inc. in February 2022

Nichirei Logistics Group is engaged in various initiatives to reduce its environmental impact. We are promoting the use of natural refrigerants in our domestic and overseas facilities, and plan to reach a conversion rate of 75% by 2030. Over the past 10 years, we have grown our business while reducing electric power usage through various ongoing initiatives, from introducing energy-saving equipment to improving efficiency through a review of work operations. We are also proactively implementing and planning to expand measures to use renewable energy, including the installation of solar power generation equipment.