

**From Ocean To Dining,
Challenges For The Better Future.**



FYE3/2025 Earnings Presentation

May 9, 2025

8091

Prime Market





FYE3/2025 Results

Financial Highlights: Achieved V-Shaped Recovery in Line with Initial Forecasts, Driven by Steady Growth in Four Core Businesses

Net sales: ¥133,900mn, up 4.8% YoY, setting a new record high

Operating profit: ¥3,002mn, up 48.6% YoY

Initial assumptions

- Inbound tourism demand grew as expected, but higher prices weighed on consumer spending.
- Natural resource conditions remained unstable due to rising sea temperatures and poor catches in Japanese waters.

Business overview

- Net sales reached a new high, supported by steady growth in the four core businesses despite a challenging external environment.
- Operating profit rebounded sharply, in line with initial forecasts, following the elimination of non-performing assets.
- The Machinery Business drove the overall performance by successfully completing large-scale projects during the year.

Overview of four core businesses

- Food:** Sales and profits increased. Strong sales of fresh frozen seafood products—particularly crab, scallops, and frozen fish from northern waters—more than offset sluggish sales of Pollock roe.
- Marine:** Sales and profits increased. Solid sales of aquaculture materials and feed offset weak sales of fishing nets and gear.
- Machinery:** Sales and profits increased. A broad range of order intake, including large-scale projects, contributed significantly to the overall performance.
- Materials:** Sales and profits increased. A focus on profitability in sales activities paid off, despite the impact of soaring raw material prices.

FYE3/2025 Results: Highest Ever Net Sales with Significantly Improved Profitability

Net sales: ¥133,900mn (+4.8%)

Operating profit: ¥3,002mn (+48.6%)

Net sales hit a record high, supported by steady growth across the four core businesses.

Machinery contributed significantly to overall performance by completing large-scale projects during FYE3/2025.
Profitability improved substantially following the elimination of non-performing assets.

(Millions of yen)	FYE3/2024	% of net sales	FYE3/2025	% of net sales	YoY change (%)	Initial plan (Initial forecast)
Net sales	127,756	100.0%	133,900	100.0%	+4.8%	135,000
Gross profit	10,780	8.4%	12,228	9.1%	+13.4%	—
SG&A expenses	8,760	6.9%	9,225	6.9%	+5.3%	—
Operating profit	2,020	1.6%	3,002	2.2%	+48.6%	3,400
Ordinary profit	2,562	2.0%	3,601	2.7%	+40.6%	3,600
Profit attributable to owners of parent	2,349	1.8%	2,666	2.0%	+13.5%	2,600

FYE3/2025 Segment Performance (vs. FYE3/2024)

All four core business segments achieved increased sales and profits

(Millions of yen)		FYE3/2024	% of total	FYE3/2025	% of total	YoY change
Total	Net sales	127,756	100.0	133,900	100.0	+6,144
	Operating profit	2,020	—	3,002	—	+982
Food	Net sales	82,288	64.4	84,102	62.8	+1,813
	Operating profit	1,636	45.1	1,953	41.0	+317
Marine	Net sales	21,813	17.1	22,377	16.7	+563
	Operating profit	503	13.9	755	15.9	+251
Machinery	Net sales	12,259	9.6	15,618	11.7	+3,359
	Operating profit	966	26.6	1,456	30.6	+489
Materials	Net sales	8,506	6.7	9,043	6.7	+537
	Operating profit	349	9.6	382	8.0	+32
Biotics	Net sales	309	0.2	293	0.2	(15)
	Operating profit	24	0.7	17	0.3	(7)
Distribution	Net sales	2,469	1.9	2,352	1.8	(117)
	Operating profit	(120)	—	108	2.3	+228
Other*	Net sales	109	0.1	110	0.1	+1
	Operating profit	148	4.1	90	1.9	(58)
Corporate expenses		(1,489)		(1,760)		

* The "Other" segment includes businesses such as real estate leasing. The percentage of total of each segment's operating profit is calculated before deducting corporate expenses.

Overview of Core Business Segments (1) Food and Marine Businesses

Food: Sales and profits increased. Strong sales of fresh frozen seafood products—particularly crab, scallops, and frozen fish from northern waters—more than offset sluggish sales of Pollock roe.

(Millions of yen)	FYE3/2024	Operating margin (%)	FYE3/2025	Operating margin (%)	Change
Net sales	82,288	–	84,102	–	+1,813
Operating profit	1,636	2.0	1,953	2.3	+317

- <Fresh frozen seafood products> (20.2%) Crab and scallops recorded increased sales and profits, driven by strong sales of crab for commercial use and mail order, overseas sales growth in scallops, and steady progress in production. Pollock roe profits fell sharply as rising production costs outpaced efforts to pass on soaring raw material prices. Frozen fish from northern waters saw increased sales and profits due to higher sales of Pacific ocean perch and Atka mackerel to China.
- <Processed food> (41.4%) Sales increased but profits decreased. Cultured coho salmon and tuna products saw strong sales, while sales of boiled and grilled fish products fell short of the plan.
- <surimi (fish paste)> (38.4%) Sales declined due to poor catches of raw fish for *surimi* in Japan and weak production in South America, but profits increased as a result of strict profit management.

Marine: Sales and profits increased. Solid sales of aquaculture materials and feed offset weak sales of fishing nets and gear.

(Millions of yen)	FYE3/2024	Operating margin (%)	FYE3/2025	Operating margin (%)	Change
Net sales	21,813	–	22,377	–	+563
Operating profit	503	2.3	755	3.4	+251

- <Aquaculture> (57.8%) Sales and profits increased, driven by solid sales of aquaculture equipment, materials, and feed. This growth was further supported by effectively capturing capital investment demand for seaweed machinery and materials.
- <Fishing net and fishing gear> (39.2%) Sales and profits decreased due to reduced replacement demand for fishing gear and lower fishery yields in Japan and overseas. This was partially offset by strong overseas sales of ground nets.
- <Ship and machinery> (3.0%) Sales and profits decreased due to lower demand for ship equipment and ship supplies, as the number of fishing vessels is generally being reduced.

Overview of Core Business Segments (2) Machinery and Materials Businesses

Machinery: Sales and profits increased. A broad range of order intake, including large-scale projects, contributed significantly to the overall performance.

(Millions of yen)	FYE3/2024	Operating margin (%)	FYE3/2025	Operating margin (%)	Change
Net sales	12,259	—	15,618	—	+3,359
Operating profit	966	7.9	1,456	9.3	+489

- <Japan> (88.4%) Sales and profits increased by capturing strong ongoing demand for capital investment, particularly in the restaurant industry, where robust inbound tourism has driven the need for production efficiency.
- <Outside Japan> (11.6%) Sales and profits increased by securing orders for labor-saving production facilities for tofu, deli and other products.

Materials: Sales and profits increased. Our meticulous sales activities paid off, despite the significant impact of soaring raw material prices.

(Millions of yen)	FYE3/2024	Operating margin (%)	FYE3/2025	Operating margin (%)	Change
Net sales	8,506	—	9,043	—	+537
Operating profit	349	4.1	382	4.2	+32

- <Chemical products> (93.7%) Sales and profits increased, supported by solid orders for resin films, steady growth in overseas sales of packaging materials, and our sales activities focused on profitability across all products amid higher raw material prices.
- <Agricultural and livestock materials> (6.3%) Sales and profits increased, driven by higher sales of agriculture materials and fertilizers.

Balance Sheet (Condensed)

- Streamlined cash management to strengthen financial foundation.
- Shifting from short-term to long-term debt in preparation for potential disruptions from changes in global trade policies and economic conditions.

	Assets	
(Millions of yen)	As of March 31, 2025	YoY change
Current assets	56,501	(94)
Cash and deposits	5,956	(2,402)
Notes and accounts receivable – trade and electronically recorded monetary claims – operating	17,411	(260)
Merchandise and finished goods	27,001	+2,223
Non-current assets	26,450	+2,072
Property, plant and equipment	10,593	+1,419
Intangible assets	648	(113)
Investments and other assets	15,208	+766
Total assets	83,098	+2,006

	Liabilities and net assets	
(Millions of yen)	As of March 31, 2025	YoY change
Current liabilities	32,086	(6,719)
Notes and accounts payable – trade and electronically recorded obligations – operating	14,092	(2,181)
Short-term debt	12,877	(4,709)
Contract liabilities	3,017	+934
Non-current liabilities	20,783	+6,845
Net assets	30,229	+1,880
Shareholders' equity	25,291	+1,992
Accumulated other comprehensive income	4,920	(113)
Total liabilities and net assets	83,098	+2,006

Cash Flow Statement

- Operating cash flow turned negative due to proactive inventory buildup in response to volatile seafood market conditions.
- The Company will advance the transition to long-term debt, including sustainability-linked loans, while making proactive, environmentally conscious investments, such as the construction of a new frozen surimi (fish paste) plant, in consideration of interest rate trends.

(Millions of yen)	FYE3/2024	FYE3/2025	YoY change	Key factors
Cash and cash equivalents at beginning of year	6,939	7,658	+719	
Cash flows from operating activities	+6,629	(1,345)	(8,025)	Profit before income taxes: +3,489 Decrease in trade receivables: +397 Increase in inventories: (2,176) Decrease in trade payables: (2,354)
Cash flows from investing activities	+1,276	(1,980)	(3,205)	Proceeds from sale of investment securities: +236 Purchase of property, plant and equipment and intangible assets: (2,302)
Free cash flow	+7,905	(3,325)	(11,230)	
Cash flows from financing activities	(7,282)	+1,186	+8,468	Net decrease in short-term borrowings: (5,726) Net increase in long-term borrowings and bonds payable: +7,873
Cash and cash equivalents at end of year	7,658	5,514	(2,144)	

Results of the previous mid-term investment plan: The stable supply of processed fishery products has been implemented almost as scheduled.

Total amount to be invested under the Medium-term Management Plan: ¥10.0bn

- (1) Commercialization of the onshore aquaculture business (New business): ¥3.0bn
- (2) Commercialization of biomass fishing nets (R&D): ¥1.0bn
- (3) Establishing a system to secure a stable supply of processed seafood (Capital investment): ¥3.0bn
- (4) M&A (Strengthening of existing businesses): ¥2.0bn
- (5) Other (System development costs): ¥1.0bn

Cumulative investment as of March 31, 2025

- (1) Commercialization of the onshore aquaculture business: ¥0.72bn (FY2025: ¥0.15bn)
⇒ Considering transition to Phase 2 (annual production capacity: 300t → 3,000t)
- (2) Commercialization of biomass fishing nets: ¥0.29bn (FY2025: ¥0.10bn)
⇒ R&D on biodegradable marine materials and recycling of discarded fishing nets.
- (3) Establishing a system to secure a stable supply of processed seafood: ¥2.66bn (FY2025: ¥1.00bn)
⇒ Construction of a new environmentally conscious frozen food plant.
- (5) Other (System-related costs): ¥0.74bn (FY2025: ¥0.25bn)
⇒ System upgrades for enhanced security and compatibility with electronically recorded monetary claims.

Total funds to be raised: ¥1.94bn

Issued stock acquisition rights (exercised in June 2023)

Initial amount procured:	Approx. ¥1.86bn
(1) Construction for onshore aquaculture facilities:	¥1.50bn
(2) R&D for commercialization of biomass fishing nets:	¥0.36bn

- (1) Commercialization of onshore aquaculture business and (2) commercialization of biomass fishing nets are experiencing delays, while (3) Facility for processed seafood is progressing as planned. (5) System development will continue to see proactive investment.
- (4) M&A opportunities are under careful consideration, with multiple potential deals under review.

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FYE3/2025 Forecasts

Business Environment and Assessment (Outlook Based on Review of FYE3/2025)

Amid external uncertainty, the Company will focus on further strengthening its earnings foundation.

Review of FYE3/2025

External Environment

- Due to persistent inflation, consumer sentiment remains defensive, and personal consumption is expected to remain sluggish.
- Inbound tourism demand is expected to continue growing, contributing to the expansion of domestic demand.

Internal environment

- All business segments remain steady.
⇒ Machinery is a key driver of performance.
- Past non-performing assets have been eliminated, significantly improving profitability.

Outlook for FYE3/2026

External Environment

- In Japan, personal consumption showed signs of improvement with the effects of various policy measures.
- Inbound tourism demand is expected to expand further.
- Overseas, the outlook remains uncertain amid changes in U.S. trade policy and economic conditions

Internal environment

- The new medium-term management plan has launched with the aim of:
 - ⇒ Restructuring business portfolio
 - ⇒ Accelerating investment in growth areas
 - ⇒ Strengthening earnings foundation
- * FYE3/2026 serves as a ramp-up period for further earnings growth.

Outlook for FYE3/2026: Net Sales of ¥135.0bn (+0.8%) & Operating Profit of ¥3.3bn (+9.9%)

Both sales and operating profit are expected to reach new record highs.

- Net sales:**
- (1) Food is expected to grow on the back of expanding inbound tourism demand and stronger consumer activity.
 - (2) Marine is expected to grow sales by expanding aquaculture operations.
 - (3) Machinery is expected to reduce sales due to the absence of large orders as in the previous fiscal year.
- Operating profit:**
- (1) All four core businesses are expected to post profit growth.
 - (2) Food will focus on high-quality, high-value-added products to enhance profitability.

(Millions of yen)	FYE3/2025	% of net sales	FYE3/2026	% of net sales	YoY change	
					%	Amount
Net sales	133,900	100.0%	135,000	100.0%	+0.8%	+1,099
Operating profit	3,002	2.2%	3,300	2.4%	+9.9%	+297
Ordinary profit	3,601	2.7%	3,500	2.6%	(2.8)%	(101)
Profit attributable to owners of parent	2,666	2.0%	2,500	1.9%	(6.3)%	(166)

Outlook for FYE3/2026 (by Business Segment)

All four main businesses are expected to see an increase in operating profit, while machinery sales are expected to decline due to a reactionary drop from last year's large projects.

(Millions of yen)		FY3/2025 Results	% of total (%)	FY3/2026 Forecast	% of total (%)	Change
Total	Net sales	133,900	100.0	135,000	100.0	+1,099
	Operating profit	3,002	—	3,300	—	+297
Food	Net sales	84,102	62.8	84,500	62.6	+398
	Operating profit	1,953	41.0	2,100	40.9	+147
Marine	Net sales	22,377	16.7	23,000	17.0	+623
	Operating profit	755	15.9	900	17.5	+145
Machinery	Net sales	15,618	11.7	15,000	11.1	(618)
	Operating profit	1,456	30.6	1,500	29.2	+44
Materials	Net sales	9,043	6.7	9,500	7.0	+457
	Operating profit	382	8.0	400	7.8	+18
Biotics	Net sales	293	0.2	350	0.3	+57
	Operating profit	17	0.3	20	0.4	+3
Distribution	Net sales	2,352	1.8	2,550	1.9	+198
	Operating profit	108	2.3	120	2.3	+12
Other*	Net sales	110	0.1	100	0.1	(10)
	Operating profit	90	1.9	90	1.8	0
Corporate expenses		(1,760)		(1,830)		(70)

* The "Other" segment includes businesses such as real estate leasing. The percentage of total of each segment's operating profit is calculated before deducting corporate expenses.

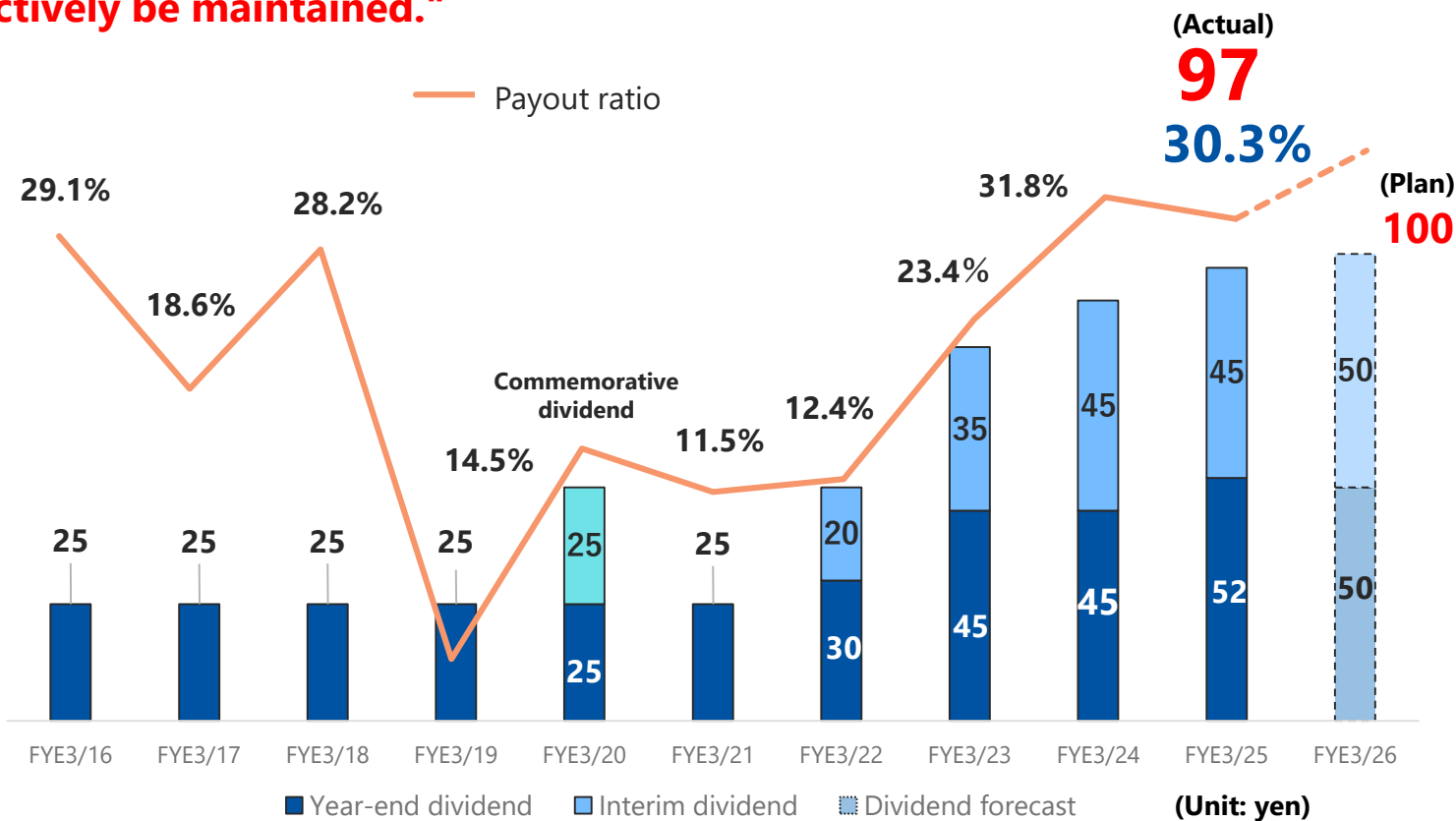
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Shareholder Return Policy

Dividends: Annual Dividends for FYE3/2025 increased by ¥7 to ¥97 per share

FYE3/2026 (Plan): Annual dividend of ¥100 per share (¥50 for interim + ¥50 for year-end)

- FYE3/2025: **Year-end dividend of ¥52 per share (YoY +¥7 per share) ⇒ Annual dividend of ¥97 per share**
 - * To achieve 30%+ payout ratio
- FYE3/2026: **Planned annual dividend: ¥100 per share**
 - * **New medium-term management plan target: payout ratio 35% or higher ⇒ The progressive dividend policy will effectively be maintained."**



Note: Figures for FYE3/2017 and earlier are adjusted for pre-consolidation; figures up to the FY3/2024 interim period are adjusted for the stock split.

An archived video of the “Briefing of FYE3/2025 Financial Results and Medium-Term Management Plan for 140th Term” will be made available on May 27, 2025 for your viewing.
<https://www.nichimo.co.jp/ir/library/>

The forward-looking statements, including earnings forecasts, contained in this document are based on information available at the time of preparation. Actual results are subject to changes due to various factors.
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