Umios | 1333 (TSE Prime)

Company Report

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Umios Sets Sail Toward Its Third Founding Phase. Expectations Rise for President Yasuda's "One Team" Culture & Global Strategy

Umios was formed through the merger of Maruha (founded in 1880) and Nichiro (founded in 1907) and is one of the world's largest suppliers of marine products. The company's business segments are classified into Marine Resources Business, Foodstuff Distribution Business, Processed Foods Business and Others. Looking at the composition of net sales by segment, investors could also come to view the company as a comprehensive food company.

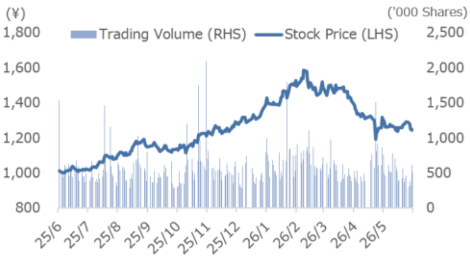
The Group has worked to strengthen its overseas expansion through M&A. One of its most successful overseas acquisitions has been Seafood Connection Holding B.V. (now Umios Food Group Europe; hereinafter, "UFGE"), a Dutch holding company specializing in the sale of frozen marine products, which was acquired in 2013. Since the acquisition, UFGE has seen rapid growth in net sales and operating income, driving the Group's overseas expansion.

The company announced its new 10-year vision and Mid-term Management Plan, *For the ocean, for life 2027*, in March 2025, and changed its corporate name to Umios in March 2026, formally marking the start of its third founding phase. We look forward to new President Yasuda, who took office in April, teaming up with Chairman Ikemi to advance Umios's "One Team" culture and global strategy.

Strategy Advisors believes the company's inimitability lies in "the trust, procurement capabilities, and fishing quotas it has acquired through the large-scale construction and over 100 years of continuous maintenance and development of a marine products supply chain that integrates global procurement, production, processing and distribution".

The company's financial position has improved significantly through the execution of its previous two mid-term management plans, among other factors. It has raised its dividend every year since the FY ended March 2022, and plans a dividend of ¥45 for the FY ending March 2027.

Stock Price & Volumes (1 Year)



Source: Strategy Advisors.

Key Indicators

Key Indicators	
Stock Price (6/19/26)	1,247.5
52-Week High (2/27/26)	1,585.5
52-Week Low (6/26/25)	999.3
All-Time High (2/27/26)	1,585.5
All-Time Low (5/19/14)	500.0
Number of Shares Issued (mn)	151.2
Market Capitalization (¥bn)	188.6
EV (¥bn)	485.6
Equity Ratio (FY3/26, %)	32.9
ROE (FY3/26 Actual, %)	9.3
PER (FY3/27 CoE, x)	12.6
PBR (FY3/26 Actual, x)	0.8
Dividend Yield (FY3/27 CoE, %)	3.6

Source: Strategy Advisors.

Japanese GAAP - Consolidated

FY	Net Sales (¥mn)	YoY (%)	Operating Income (¥mn)	YoY (%)	Ordinary Income (¥mn)	YoY (%)	Net Income (¥mn)	YoY (%)	EPS (¥)	DPS (¥)
Mar/2023	1,020,456	17.7	29,575	24.2	33,500	21.4	18,596	10.0	121.2	21.7
Mar/2024	1,030,674	1.0	26,534	-10.3	31,106	-7.1	20,853	12.1	137.9	28.3
Mar/2025	1,078,631	4.7	30,381	14.5	32,254	3.7	23,264	11.6	154.0	36.7
Mar/2026	1,105,890	2.5	31,191	2.7	31,251	-3.1	22,182	-4.7	146.8	44.7
Mar/2027 CoE	1,110,000	0.4	32,000	2.6	30,000	-4.0	15,000	-32.4	99.2	45.0

Source: Company Data. Created by Strategy Advisors.

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[Initiation Update]

1. Company Profile

One of the World's Largest Marine Products Suppliers

Umios was formed through the merger of Maruha (founded in 1880) and Nichiro (founded in 1907) and is one of the world's largest suppliers of marine products.

Number of Employees Overseas Exceeds Those in Japan

The group consists of Umios, 98 subsidiaries and 53 equity-method affiliated companies. Of the 150 group companies, 69 are domestic and 81 are overseas. The group's global network spans approximately 70 countries and regions.

As of the end of the FY ended March 2026, the Group had 12,479 consolidated employees. Overseas employees account for a slight majority of the workforce: Japan 48.7%, Asia 40.4%, North America 5.0%, Europe 3.0% and other regions 3.0%.

It Can also be Considered a Comprehensive Food Company

The company's business segments are classified into Marine Resources Business, Foodstuff Distribution Business, Processed Foods Business and Others. Segment performance is shown in Figure 14. Over time, the company has adapted to major industry challenges—including wars and the introduction of 200-nautical-mile exclusive economic zones (EEZs)—by reshaping its business portfolio. As a result, businesses outside the Marine Resources Business Segment, including Foodstuff Distribution and Processed Foods, now account for more than 70% of consolidated net sales. Even excluding the Marine Products Trading Unit within the Foodstuff Distribution Business Segment, non-marine businesses account for approximately half of total sales. Although the company is classified as a Fishery, Agriculture & Forestry company, its revenue mix also supports viewing Umios as a diversified food company with operations spanning marine products, frozen foods, processed foods and meat products.

Following its name change to "Umios" in March 2026, the company declared its ambition to become a "solutions company" that leverages its ocean-based value creation capabilities to promote the health of both people and the planet through food.

Figure 1. Performance Trends by Segment
(Based on Mar/26 Organization)

(¥bn)

	Segment	Mar/25	Mar/26
Net Sales	Marine Resources	127.6	129.3
	Foodstuff Distribution	751.0	769.9
	Processed Foods	179.7	185.7
	Other	20.1	20.8
	Total	1,078.6	1,105.8
Operating Income	Marine Resources	-3.8	2.4
	Foodstuff Distribution	18.0	15.7
	Processed Foods	13.9	10.0
	Other	4.1	3.7
	adjustment	-1.8	-0.8
	Total	30.3	31.1

*Net sales are based on external customers

Source: Company Data. Compiled by Strategy Advisors.

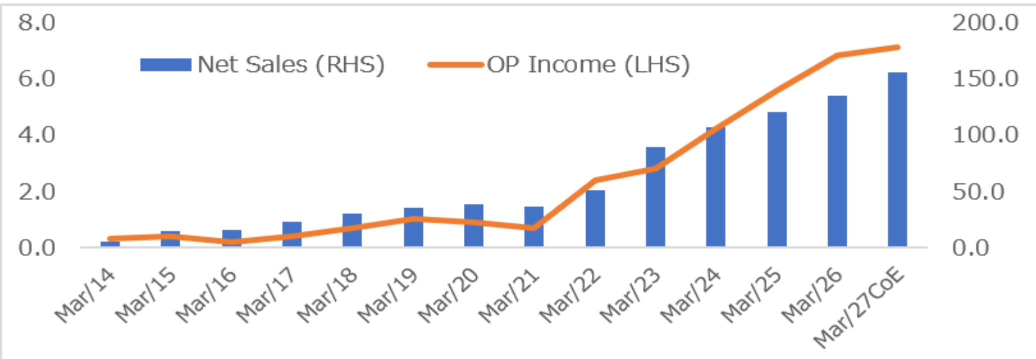
Overseas Ordinary Income Ratio: 44%

In Japan, the food market is expected to shrink due to the decline in population, while population growth in overseas market is expected to drive increasing demand for food and protein, supporting expansion of global food market, including marine products. Against this backdrop, the Group has accelerated its overseas expansion through M&A. As a result, the overseas net sales ratio was only 15.2% in the FY ended March 2015 but increased to 24.6% in the FY ended March 2026. In addition, the overseas ordinary income ratio was 33% in the FY ended March 2022, but is expected to have increased to 44% for the FY ended March 2025.

Dutch Subsidiary Drives Growth

One of the Group's most successful overseas acquisitions has been UFGE, a Dutch holding company specializing in the sale of frozen marine products, which was acquired in 2013. Since the acquisition, UFGE has seen rapid growth in net sales and operating income, driving the Group's overseas expansion.

Figure 2. Trends in UFGE (formerly SCH) Net Sales & OP Income (¥bn)



Source: Company Data & Interviews. Compiled by Strategy Advisors.

The main factors driving UFGE’s rapid growth include the acquisition of subsidiaries in Spain, the United Kingdom, the Netherlands and other countries, along with the successful execution of post-merger integration. UFGE has expanded bulk food delivery services to restaurants, primarily in the Netherlands and the delegated authority to local managers with in-depth knowledge of regional conditions.

2. History

1) Maruha

The Founding Period by Mr. Ikujiro Nakabe (1880’s – 1930’s)

Maruha founder Ikujiro Nakabe took over the fresh fish brokerage and transportation business from his grandfather at the age of 15 in 1880. At the time of founding, the company made its living by transporting fresh fish caught in the Akashi coastal waters to the Osaka fish market. In 1905, the first motorized fresh fish transport vessel in Japan, the Shinseimaru, invented by Mr. Nakabe, began operation, making it possible to transport large amounts of fish in a short time, bringing great profits to Mr. Nakabe. In 1922, he acquired Tosa Whaling and entered the whaling industry. In 1924, Mr. Nakabe established Hayashikane Shoten Co., Ltd. Before the war, Hayashikane Shoten had expanded its international fishing grounds over a wide area from the Sea of Okhotsk to the Indian Ocean, but not only did it lose much of its fishing grounds during World War II, but it also lost most of its fishing boats, refrigeration facilities, factories, etc.

Postwar Fishing Revival Period (1940’s -1950’s)

In 1943, in accordance with the Fisheries Control Act, the domestic fisheries divisions of Hayashikane Shoten, "Taiyo Whaling Co., Ltd." and "Enyo Whaling Co., Ltd." were merged to form "West Ocean Fisheries Control Co., Ltd.", with whaling, trawling and bottom trawling as its business objectives. In March 1945, the manufacturing, processing and sales of marine and agricultural products, as well as refrigerated storage, were added to the business objectives. On August 23, 1945, immediately after the end of the war, in order to save the Japanese people from the postwar food shortage, West Ocean Fisheries Control decided to build a large number of fishing boats and began working towards the revival of the fishing industry. In December of the same year, the company name was changed to "Taiyo Fishery Co. Ltd.”

Taiyo Fishery established Daito Gyorui Co., Ltd. in 1947 and Shinko Gyorui Ltd. in 1948 and began strengthening its fresh fish wholesale business throughout the country. In the 1950’s, as refrigerators became more common in ordinary households, the company expanded its business area into marine products processing. In 1953, the company began selling fish, meat, ham and sausages and also entered the aquaculture business. In 1955, it began producing the frozen food "fish sticks".

The Period of Expansion and Decline of High-Seas Fishing (1960's – 1970's)

In the 1960's, Taiyo Fishery owned about 800 large and small vessels, with a total tonnage of about 250,000 tons, and was at the peak of its high-seas fishing days. Not only did it secure marine resources for Japan, but it also developed fishing grounds and provided guidance on local fishing and production, playing a major role in promoting the fishing industry in less developed countries.

In 1963, the company established a purchasing base in Alaska. It also began test production of "surimi", a raw material for fish paste products such as kamaboko and fish sausage, on a North Pacific mother ship. By fully expanding its processing business, it began to expand globally not only as a fishing company, but also as a marine products trading company. It began selling canned seafood and fish sausage to general consumers, which increased its recognition.

However, when the 200 nautical mile limit was introduced as an international rule in 1977, Japanese marine products companies lost fishing grounds one after another and gradually began to withdraw from high-seas fishing, which had been their primary source of income. In this situation, Taiyo Fishery changed course to become a marine trading company that purchased and imported fish from overseas.

The Era of Holding Companies & Corporate Restructuring (1980's - Early 2000's)

Between 1985 and 1990, local subsidiaries were established one after another in North America to ensure a stable supply of marine resources from the Bering Sea. With the localization of the surimi business, a strong production, processing and sales system was established in North America. In 1990, the company opened a central research institute to conduct research and development of food and marine ingredients and also took an equity stake in Kingfisher Holdings, a Thai company that processes marine products.

In 1993, Taiyo Fishery changed its name to Maruha Corporation. In 2004, through a stock transfer, the company established Maruha Group Inc., the wholly owned parent company and transitioned to a holding company structure.

2) Nichiro

The Founding Period Developed Through the North Sea Fishing & Canned Salmon Businesses (Early 1900's - End of WWII)

Nichiro's predecessor was Tsutsumi Shokai, which was established in Sanjo, Niigata Prefecture, in November 1906 by Mr. Seiroku Tsutsumi and Mr. Jojiro Hiratsuka, who were both in their 20's at the time, with the aim of venturing out into the North Pacific. Founded in 1907, the sailing ship Houjumaru set sail for Kamchatka, Russia and returned to Niigata Port loaded with a large amount of purchased and caught sockeye salmon. However, at the time, Japanese people were accustomed to white-fleshed salmon such as chum and coho salmon, so the deep red sockeye was unfamiliar with them and did not sell for a high price.

The two founders noticed that canned sockeye salmon was selling well in overseas markets, so they built a factory in Kamchatka and succeeded in mass-producing canned salmon in 1910. Tsutsumi Shokai began industrial mass production of canned food using Japan's first sanitary cans in 1913.

These innovative sanitary cans swept the European and American markets as the best product in the North Seas. This was the birth of the "Akebono Mark" (DAY BREAK BRAND), which has been loved for over 110 years, to this day.

In 1921, the companies that were the predecessors of Tsutsumi Shokai merged to form Nichiro Gyogyo Co., Ltd.

After WWII, Nichiro Ventured into Deep-Sea Fishing (1940's)

In 1945, with the end of the war, Nichiro Gyogyo lost 97% of its vast assets and business in Kamchatka, the Northern Kuril Islands and Sakhalin. It was difficult to resume its main salmon and trout fishery in the North Pacific due to the restrictions imposed by the MacArthur Line, so the company started bottom trawl fishing, deep-sea skipjack and tuna fishing and also, Hokkaido coastal fishing, which it had not engaged in until then. It also resumed its marine products processing business, producing canned goods, salted and dried fish, etc., at several factories in Hokkaido.

In particular, in the deep-sea skipjack and tuna fishing business, a branch office was opened in Kurihama in 1946, where a large-scale comprehensive food plant using skipjack and tuna as raw materials was also established. The fishing business continued to run at a loss for several years after its launch due to a lack of know-how and shipwrecks. But with the abolition of the MacArthur Line in 1952 as a turning point, the company promoted the enlargement and modernization of its tuna fishing boats. As a result, tuna fishing became the core business of Nichiro Gyogyo, along with salmon and trout fishing that resumed around the same time.

Development of Tuna Fishing & Food Businesses (1950's – 1980's)

The thriving tuna business environment changed dramatically with the "Bikini Incident" in 1954. After the incident, consumers began to shy away from even tuna that had not been affected by the incident and the big management issue was how to sell the large quantities of frozen tuna stored at the Kurihama branch office.

In an attempt to get out of this predicament, the Kurihama branch researched ways to process tuna, and fish sausage was born. Fish sausage, made by combining tuna with salmon flakes that had been frozen during the manufacture of canned salmon and trout, was released in 1955 as "Salmon Sausage" and became a huge hit. Nichiro Gyogyo subsequently established new food factories in Hiroshima, Yamagata and Sapporo. In 1957, Nichiro Gyogyo's tuna fishing industry overcame the negative publicity caused by the Bikini Incident and became the number one in Japan in terms of total tonnage and productivity of tuna vessels.

In 1960, Nichiro Gyogyo began production of "Akebono Sticks", their first frozen food for home use. Processed foods using fresh marine raw materials such as king crab, shrimp, salmon roe and salmon were released one after another and the company expanded into frozen edamame and strengthened its land-based processing division.

In 1961, it released "Nichiro Frozen Oysters", a frozen food for commercial use. In the wake of the 200 nautical mile limit being imposed in 1977, Nichiro Gyogyo was forced to withdraw from its main business of North Pacific salmon and trout fishing and changed course to strengthen its processed food business.

In 1979, the "Akebono Bento Series" was launched. The Bento Series was developed based on a novel concept at the time, combining bento and frozen foods. In particular, the "White Fish & Tartar Sauce," which was an original, groundbreaking product developed as a sauce-in-type fry, became a long-selling product.

Company Name Change and Strengthening of Operations as a Food Company (1990's - Early 2000's)

In 1990, Nichiro Gyogyo changed its name to "Nichiro Corporation". In the same year, it established N&N Foods in Thailand to produce cooked frozen foods for the Japanese market and became a food company with a wide range of products in the categories of marine, food and meat.

After 1990, Nichiro continued to expand its product lineup for its frozen food business, releasing hit products such as "Meat-rolled Potatoes" (released in 1991), "Minced Meat Shumai" (released in 1995) and "Sobameshi" (released in 2000).

In 2003, the company established Rizhao Nichiro & Rongsense Foods Co., Ltd. in China and strengthened its production structure by acquiring frozen food company AQLI Foods Corporation as a subsidiary.

3) Maruha Nichiro

Background to the 2007 Business Integration

Both companies were pioneers in the fishing industry, but their deep-sea operations came to an end around 1990. However, in the 2000's, a wave of major change hit Japan's fishing industry against the backdrop of declining fishery resources and global environmental issues. With the aim of procuring marine products from around the world and expanding their business domain, Maruha Group Inc. (formerly Maruha) and Nichiro Corporation merged in 2007 with Maruha Nichiro Holdings.

The two companies share a commonality in that they both developed around the fishing industry and were forced to change their business model in the wake of the 200-mile issue. However, while Maruha's strength lies in its ability to procure marine resources both domestically and overseas, Nichiro's strength lies in its product development and sales capabilities in the processed foods sector. And so, the two companies, despite their different strengths, built a complementary relationship.

Transition to a New Group Structure in 2008

In 2008, a new corporate group structure was established with 4 main operating companies (Maruha Nichiro Seafoods Inc., Maruha Nichiro Foods Inc., Maruha Nichiro Meat and Products Inc., and Maruha Nichiro Logistics Inc.) and a common function company (Maruha Nichiro Management Inc.).

The business integration strengthened the system for globally handling everything from raw material procurement to processing and sales, and Maruha Nichiro has established itself as one of the world's largest suppliers of marine products, handling more than 700,000 tons per year.

In 2010, it became the first private company to successfully complete egg-to-harvest Bluefin tuna aquaculture.

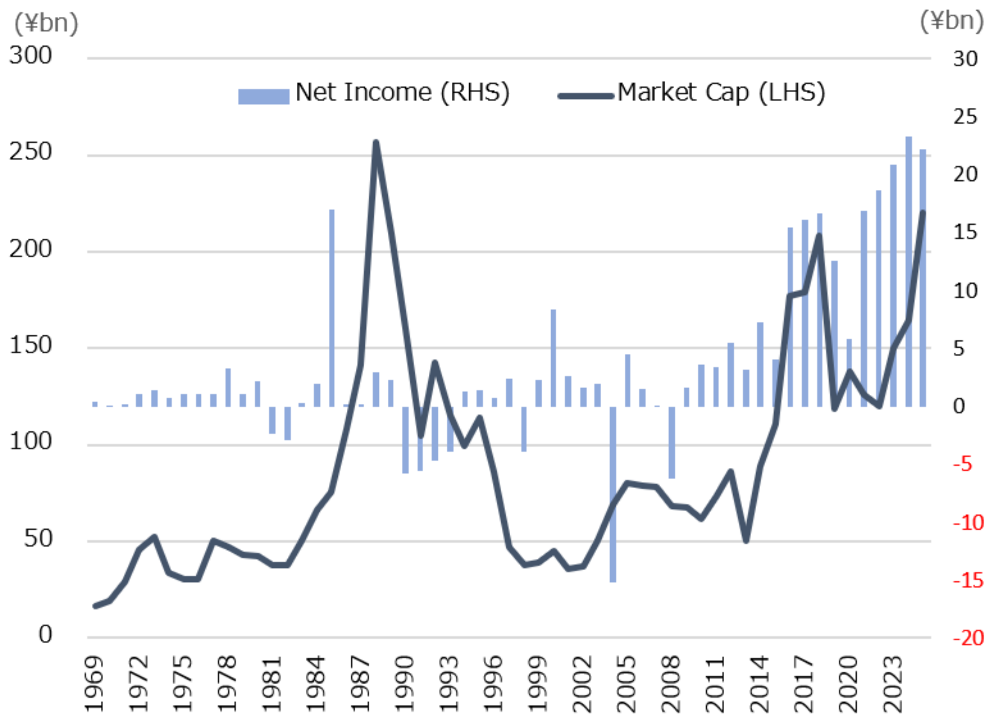
Strengthening Overseas Expansion & Organizational Restructuring (2010’s)

In 2013, the company acquired Seafood Connection Holding B.V. (now UFGE), a Dutch company specializing in the distribution of frozen marine products that served as a growth model for its overseas operations, as well as Austral Fisheries, a major commercial fishing company in Australia.

In 2014, the surviving company, Maruha Nichiro Fisheries, changed its name to "Maruha Nichiro Corporation" and in order to maximize the synergy effects from the integration of Maruha and Nichiro, Maruha Nichiro Holdings and its major business subsidiaries were absorbed into the company. In 2018, the corporate brand was revamped. As a result of continuing to work on strengthening the group's capabilities after that, the group has transformed into a comprehensive food company with strengths in resource procurement, processing technology and food ingredient supply.

In March 2026, the company changed its trade name to Umios.

Figure 3. Umios's Trends in Net Income & Market Cap (¥bn)



* Figures for pre-2007 are only for Maruha.

Source: Company Data. Compiled by Strategy Advisors.

Figure 4. History of Umios

1943	In accordance with the Fisheries Control Act, the inland fisheries division of Hayashikane Shoten, Taiyo Whaling Co., Ltd. and Toyo Whaling Co., Ltd. jointly established the Western Pacific Fisheries Control Co., Ltd. (Capital ¥60 million) in Shimonoseki City with the business objectives of whaling, trawling and bottom fishery.
1945	Added manufacturing, processing, and sales of marine and agricultural products, as well as refrigerated warehouse operations, to business objectives.
1947	Daito Gyorui Co., Ltd. was established (now a consolidated subsidiary).
1948	Shinko Gyorui Ltd. was established (now a consolidated subsidiary).
1949	Head office relocated to Tokyo.
1961	Fertilizer and feed business added to business objectives.
1983	Completed the construction of a paste product factory in Utsunomiya City.
1985	Completed construction of a seasoning, medicine and health food factory in Utsunomiya City.
1990	Central Research Laboratory completed in Tsukuba City.
1993	The company's name changed to Maruha Corporation.
2004	Established Maruha Group Inc., the wholly owned parent company, through a stock transfer.
2007	Maruha Group Inc. and Nichiro Corp. merged, and Maruha Group Inc. made Nichiro Corp. a wholly owned subsidiary through a share exchange. Maruha Group Inc. changed its name to Maruha Nichiro Holdings.
2008	Company name changed to Maruha Nichiro Fisheries Inc. Food business was split into an absorption-type company with Maruha Nichiro Foods Inc. (formerly Nichiro Corp.) as the successor company. The meat products business was split off and absorbed into Maruha Nichiro Meat and Products Inc., which became the successor company. Maruha Nichiro Inc.'s marine products business was absorbed and separated by the company as the successor company.
2014	The company's name changed to Maruha Nichiro Corporation. Acquired Maruha Nichiro Holdings Inc., Maruha Nichiro Seafoods Inc., Maruha Nichiro Foods Inc., Maruha Nichiro Meat and Products Inc., Maruha Nichiro Management Inc., and AQLI Foods Corporation. Listed on the First Section of the Tokyo Stock Exchange.
2022	Due to a review of the Tokyo Stock Exchange's market divisions, the company moved from the First Section to the Prime Market.
2026	Changed the company name to Umios Corporation.

*Prior to the 2007 merger of Maruha and Nichiro, this was Maruha's corporate history.

Source: Company Data. Compiled by Strategy Advisors.

3. President & CEO Daisuke Yasuda's "My Resume"

Passionate About Baseball

President Daisuke Yasuda was born on September 2, 1961, in Sagamihara City, Kanagawa Prefecture. He grew up in Sagamihara where his father was an editor of legal texts and his mother, a homemaker. He reportedly continued to live there for many years reflecting his strong-attachment to his hometown and the fact that he was not required to relocate after joining Taiyo Fisheries (now the company) until 2018.

He has loved sports from an early age, and played baseball continuously from elementary school through university. He and his parents were passionate about bowling, which was all the rage at the time. Mr. Yasuda attended Kanagawa Prefectural Sagamihara High School, a top academic institution representing the central and northern regions of Kanagawa Prefecture, known for its school culture that emphasizes both academic and athletic excellence. Competing in the highly competitive Kanagawa Prefectural Tournament, he aspired to play at Koshien Stadium and trained intensively toward that goal. Outside of sports, he has been an avid fan of the Japanese band Tulip since junior high school and continues to attend its concerts.

Enrollment at His Dream School, Waseda University

His aspiration to attend Waseda University was inspired by a visit to the annual Waseda–Keio baseball game at Jingu Stadium, where he was taken by his uncle, then a Waseda student. He later enrolled in Waseda University's School of Education, majoring in Social Education, which focuses on learning in non-school settings such as companies, libraries and museums. Although he obtained a teaching license, he chose to pursue a corporate career.

Guided by a Senior from His Hometown, He Joined Taiyo Fisheries

Mr. Yasuda joined Taiyo Fisheries in 1985. His decision was influenced by the recommendation of a senior from Waseda University, as well as the positive impression he formed of the company's employees during the recruitment process. The company's ownership of the professional baseball team then known as the Taiyo Whales (Now the Yokohama DeNA BayStars) may also have added to its appeal.

Dedicated to Shrimp for 19 Years After Joining the Company

Upon joining Taiyo Fisheries, Mr. Yasuda was assigned to the sales department as he had hoped. He spent the next 19 years in domestic sales handling shrimp products, including sweet shrimp from Northern Europe. He was then transferred to a department handling coordination with Southeast Asia for 6 years. For the next 4 years, he returned to domestic sales, focusing on the sale of North American crab products.

Struggling with a Massive Shrimp Inventory

Reflecting on his early career, Mr. Yasuda recalls enjoying coming to work every day, although he experienced a defining challenge. At the time, Taiyo Fisheries had an annual contract with a Greenland-based supplier to purchase the entire shrimp catch. However, one year, the an exceptionally large catch left the company with excess inventories. Even Mr. Yasuda, who describes himself as an optimist, reportedly spent sleepless nights over this situation. Eventually, the company recorded a loss of several tens of millions of yen to clear the inventory, an experience that taught him the importance of making swift decisions.

Served as Head of Various Business Divisions

In 2014, when the company changed its name to Maruha Nichiro, Mr. Yasuda was appointed General Manager of the Marine Products Trade Department No.1, where he oversaw sales of a wide range of frozen seafood products, including mackerel, Pacific saury and sardines. In 2018, he took on his first regional assignment as President of the Kyushu Branch, where he also handled marine products other than seafood. In 2020, Mr. Yasuda returned to headquarters, where he was appointed as an Executive Officer and served as the head of the Foodservice Division.

He Helped Draft the Framework for the Mid-Term Management Plan

In 2022, Mr. Yasuda was promoted to Managing Executive Officer and appointed Head of the Foodstuff Distribution Business Segment. He was tasked by then-President Ikemi with developing the initial framework for the mid-term management plan announced in 2025, together with three other Managing Executive Officers. While continuing his day-to-day responsibilities, the four executives developed the plan's strategic framework. Having shared the disappointment of missing the ¥30 billion operating income target for the FY ended March 2023 -which was ultimately achieved in the FY ended March 2025- they aligned on a new target of ¥40 billion operating income target for the FY ending March 2028.

Working to Eliminate Silo Mentality

As head of the Foodstuff Distribution Business Segment, Mr. Yasuda became increasingly concerned about the strong silo mentality among the three business units and encouraged greater communication and collaboration. He also promoted a more customer-centric sales structure, by consolidating the Group's points of contact for customers served by multiple business units.

Appointed President of Umios in 2026

Subsequently, in 2025, Mr. Yasuda was appointed Senior Managing Executive Officer and Director, concurrently serving as Head of the Marketing Division - which oversees operations across all segment areas - and Head of the Overseas Strategy Division, where he led the implementation of the company's "global strategy". In April 2026, he was appointed Representative Director, President, Executive Officer and Chief Operating Officer (COO). He took the helm of the company, which had changed its name to Umios in March. Additionally, former President Ikemi was appointed Representative Director, Chairman and Chief Executive Officer (CEO).

Promoting a "One Team" Approach

President Yasuda has identified building a "One Team" organization as a key management priority. He has stated that he intends to break down the remaining organizational silos between business segments and units, make greater use of resources across the Group, and consolidate organizations with overlapping functions.

High Hopes for a Global Strategy

As part of the company's "global strategy," President Yasuda has also emphasized developing business models tailored to each overseas market, with products developed, manufactured and sold locally. He aims to replicate the successful UFGE business model in Europe, across other regions, including the United States.

Teaming Up with Chairman Ikemi

Going forward, Chairman Ikemi will focus on Group-wide oversight and corporate governance, while President Yasuda will lead management execution, including business strategy, portfolio management and investment decisions.

The company's new 10-year long-term vision and Mid-term Management Plan, "For the ocean, for life 2027," announced in March 2025, is positioned as marking the dawn of the company's third founding phase.

Their complementary backgrounds- Chairman Ikemi's extensive experience in overseas operations and digital transformation, and President Yasuda's deep expertise in the domestic business and leadership in formulating the Mid-term Management Plan- should support the Group's efforts to build a more integrated "One Team" organization.

Figure 5. Former Presidents of Umios

	Name	Term as President
1	Ikujiro Nakabe	1924-1950
2	Kaneichi Nakabe	1950-1953
3	Kenkichi Nakabe	1953-1977
4	Tojiro Nakabe	1977-1987
5	Yushiro Amatatsu	1987-1989
6	Keijiro Nakabe	1989-2002
7	Yuji Igarashi	2002-2010
8	Toshio Kushiro	2010-2014
9	Shigeru Ito	2014-2020
10	Masaru Ikemi	2020-2026
11	Daisuke Yasuda	2026-

*Prior to the 2007 merger of Maruha and Nichiro, these were the successive presidents of Maruha. Following the merger, they served as successive presidents of Maruha Nichiro Holdings until March 2014, and as successive presidents of Maruha Nichiro until March 2026.

Source: Company Data. Compiled by Strategy Advisors.

4. Main Business

Business Operations in 3 Segments

Umios operates in the "Marine Resources Business Segment", the "Foodstuff Distribution Business Segment" and the "Processed Foods Business Segment".

1) Marine Resources Business Segment

Fishery Business Unit

The company holds fishing rights and access rights in 15 fishing zones around the world and engages in fishing activities. In New Zealand, it is the only foreign company to hold a fishing quota and catches hoki, cod, horse mackerel and other fish. In the Antarctic Ocean, group companies hold approximately 70% of the Patagonian toothfish fishing quota in Australia's economic zone and conduct fishing.

Aquaculture Business Unit

In Japan, the company mainly farms bluefin tuna, yellowtail and amberjack. The company's annual bluefin tuna production volume is approximately 4,300 tons (FY2024), accounting for 23% of the domestic market share. The company's annual amberjack production volume is approximately 2,500 tons (FY2024), accounting for 11% of the domestic market share.

North America Operations Unit

The North America Operations business is centered on procuring and processing natural marine resources in Alaska. The company has strong access to resources such as Alaska pollock, Pacific cod and crabs and has built a one-stop business model of resource access → production → sales. The company boasts access to resources of approximately 310,000 tons (2025) of Alaska pollock from the Bering Sea per year, accounting for approximately 26% of the US market. The caught Alaska pollock is processed into surimi and fillets and then sold to North America, Europe and Japan. Major crab imitation products hold the top market share in the U.S. retail market.

2) Foodstuff Distribution Business Segment

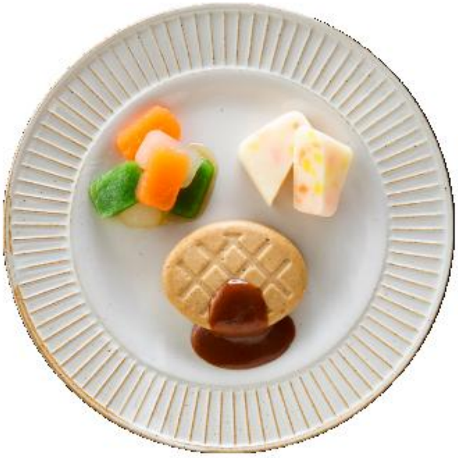
Marine Products Trading Unit

The company boasts a global procurement system, supported by a sales network that includes the procurement and market distribution of marine products across approximately 70 countries worldwide. In FY2022, the Group's total marine products volume handled reached approximately 1.7 million metric tons. For shrimp, the Group sources approximately 40,000 metric tons annually (as of 2024) from around the world, holding a domestic market share of approximately 18%. As for octopus, the Group sources approximately 4,100 metric tons annually (as of 2024) from West Africa, holding a domestic market share of approximately 23%.

Foodstuff Distribution Business Unit

This unit manufactures and sells seafood products and commercial-use ingredients to a diverse range of business formats. It is divided into 7 departments based on sales channels, enabling it to cover virtually the entire B2B market. Its strengths include possessing food processing facilities capable of meeting diverse user needs - including frozen, refrigerated and ambient temperature products. In the steadily growing market for nursing care foods, the company is expanding its market share, primarily in the categories of chopped, blended, and soft foods (with a domestic market share of approximately 27%), while also promoting expansion into overseas markets. As of April 2025, the number of nursing care food items has reached 181.

Figure 6. Kizami (Minced), Mixer (Blended) & Soft Foods



Source: Company Materials.

Agricultural Foods, Meat & Products Unit

The company procures, processes, and sells agricultural food, meat and processed products both domestically and internationally (in 16 countries and regions). The company's strength lies in the collaboration within the group, which allows it to steadily supply various types of meat and processed meat products from all over the world to Foodstuff Distribution Business Units and Processed Foods Business Units. In the domestic market, the company has achieved a 10% market share for domestically produced beef and a 10% share for imported pork. A domestic cow is defined as a female cow that has given birth to a calf.

The volume of agricultural produce is expected to reach 32,000 tons per year (FY2023). The domestic imported frozen vegetable market volume in FY2023 is expected to be 1.121m tons, with an import value of ¥304.8 billion. The Group is ranked 8th in import volume share and 3rd in import value share in this market and is increasing its presence in the agricultural produce market.

Figure 7. Global Developments in the Meat Business

Country/Region	Beef	Pork	Chicken	Pork Processing	Chicken Processing
Japan	○	○	○	○	○
Taiwan	-	-	-	○	-
China	-	-	-	○	○
Thailand	-	-	○	○	○
Australia	○	-	-	○	-
New Zealand	○	-	-	-	-
Canada	○	○	-	○	-
United States	○	○	-	○	○
Mexico	○	○	-	○	-
Brazil	-	-	○	-	-
Chile	-	○	-	-	-
Austria	-	○	-	-	-
Denmark	-	○	-	○	-
Netherlands	-	○	-	-	-
Ireland	○	○	-	○	-
Spain	○	○	-	○	-

Source: Company Data. Prepared by Strategy Advisors.

3) Processed Foods Business Segment

Processed Foods Business Unit

The company offers high-value-added products by combining stable raw material procurement, product development and technological capabilities. Its main products include commercial frozen foods, canned foods, fish sausages, fish paste products such as chikuwa, meat products such as ham and sausages, cup jellies, retort foods, seasonings and freeze-dried foods. It has a number of categories with top domestic market shares. Examples include canned salmon (approximately 76% of the domestic market share as of FY2024), canned mackerel (approximately 34%), canned crab, frozen foods for bento boxes (approximately 22%) and frozen mixed vegetables.

Figure 8. Canned Mackerel

Source: Company Data.

Figure 9. Frozen Foods for Bento Lunches

Source: Company Data.

Fine Chemical Unit

With the goal of utilizing the "blessings of the sea" in the medical and health fields, the company provides pharmaceutical, health food and cosmetic ingredients, as well as marine-derived ingredients such as DHA (top domestic market share in health foods), EPA, chondroitin, squalane, protamine, DNA, etc. In response to the growing interest in health in the super-aging society, the company is strengthening its supply system for these ingredients and is also developing new ingredients for food with functional claims. (The following product descriptions are generally known).

DHA and EPA: Omega-3 fatty acids are popular among people who want to stay healthy, as they lower triglycerides and prevent cardiovascular disease

Chondroitin: A component that is attracting attention from people who care about joint health

Squalane: A cosmetic ingredient that is gaining attention from people who care about moisturizing

Protamine: a protein used as a stabilizer in medicines

DNA: A material used in genetic research and drug development

5. Corporate DNA and Inimitability

1) Positioning Theory

Adopting Cost Leadership & Differentiation Strategies

Michael E. Porter, a well-known business scholar, proposes 3 basic strategies for companies to build a competitive advantage: 1) cost leadership strategy, 2) differentiation strategy and 3) focus strategy. Of these, the strategy adopted by Umios can be said to be 1) cost leadership strategy for marine products related and 2) differentiation strategy for non-marine related products.

A cost leadership strategy is a strategy that aims to win the competition by achieving a lower cost structure than other companies in the industry and expand market share, etc. On the other hand, a differentiation strategy is a strategy that secures a competitive advantage by providing customers with value that is different from the products and services of other companies in the same industry.

Marine Products

The Marine Resources Business Segment and the Marine Products Trading Unit of the Foodstuff Distribution Business Segment have adopted a cost leadership strategy, which has enabled them to capture high market shares in various regions and fish species, making them leading companies in their respective industries.

Non-Marine Products

On the other hand, the Foodstuff Distribution Business Unit, Agricultural Foods & Meat and Products Unit and Processed Foods Business Segment of the Foodstuff Distribution Business Segment have secured a strong presence in each industry and product category by adopting a differentiation strategy that leverages their ability to respond to diverse customer needs in the B-2-B market, their product development capabilities in the B-2-C market and their brand power.

2) Corporate DNA

A Business Strategy That Leverages the Company's DNA is the Key to Success

Corporate DNA is the unique values, philosophy and corporate culture of an organization that have been cultivated through the founder's aspirations and the company's history. It is believed that planning and executing a business strategy that utilizes corporate DNA increases the chances of winning the competition. For this reason, Strategy Advisors places great importance on corporate DNA.

“Our Desire is to Procure & Deliver Marine Product Ingredients and Foods that Consumers Seek from the World’s Oceans"

The founders of Maruha and Nichiro, Mr. Ikujiro Nakabe, Mr. Seiroku Tsutsumi and Mr. Jojiro Hiratsuka, have something in common in that they took on and succeeded in a business that no one in Japan had undertaken at the time of their founding, as they were motivated by “a desire to procure marine product ingredients and foods that global consumers seek from the world’s oceans and deliver these to their dining tables".

Maruha became a pioneer in Japan's fishing industry by introducing the first motorized fresh fish transport vessel in Japan and operating in a wide range of international fishing grounds, while Nichiro became a company highly regarded in Europe and the United States for its salmon fishing in Kamchatka, Russia and its production and export of canned salmon.

"A Challenging Spirit that Takes on Rough Seas Without Fear of Risk"

Furthermore, both companies were similar in that they both made great strides after suffering devastating blows during the war, by finding a way out in the high-seas fishing of skipjack tuna and tuna, which faced the risk of poor catches and they also overcame the crisis of the 200 nautical mile limit in the late 1970’s by changing their business model.

Evolution and Development of Corporate DNA

Withdrawing from high-seas fishing, the two companies went on quite different paths. Maruha shifted its focus to a marine products trading company, mainly responsible for procuring marine products from overseas and selling them domestically. During the fishing industry, the company also had its sights on global consumers, but for a time it focused on domestic sales. After that, it strengthened its North American, Thai and European businesses, and once again regained its overseas orientation. It is believed that the target consumers in the first corporate DNA shifted back from Japanese people to people around the world.

On the other hand, Nichiro's management focus shifted to increasing added value by strengthening its processed foods business and the company transformed into a processed foods company that produced a succession of hit products, including frozen foods. It appears that the highly original development of processed foods, inherited from the start of production of canned salmon, has evolved and developed into the company's DNA.

Umios’s Corporate DNA

Therefore, Strategy Advisors believe that the corporate DNA that Umios has cultivated over its long history has 3 elements to it. One, "a desire to procure marine products ingredients and foods that global consumers seek from the world’s oceans and deliver them to their dining tables". Two, "a spirit of challenge to face rough seas without fear of risk" and lastly, "the development of highly original processed foods".

3) Inimitability

Focus on Inimitability

The resource-based view advocated by Jay B. Barney and others focuses on a company's management resources and capabilities. The VRIO framework is a concrete example of this view, which states that Value (economic value), Rarity, Inimitability and Organization should be considered. At Strategy Advisors, we focus particularly on Inimitability.

The Trust, Procurement Power & Fishing Quotas Earned Over 100 Years, Through Maintaining and Developing Their Global Procurement, Production, Processing and Distribution System are Difficult for Other Companies to Imitate

Umios's inimitability lies in the trust, procurement power and fishing quotas it has earned by building a large-scale marine products related supply chain that consistently handles global procurement, production, processing and distribution. By continuing to maintain and develop this model for more than 100 years. Since the introduction of the 200 nautical mile limit forced the company to withdraw from high-seas fishing, the company has striven to expand its procurement capabilities through partnerships and joint ventures with overseas companies and the acquisition of fishing rights.

Umios's annual marine products handling volume is estimated to reach 1.7 million tons (approximately 0.9% of the world's total marine products trade). Taking advantage of economies of scale, the company steadily provides a wide variety of marine products to consumers, mainly in Japan; and has earned the trust of marine products sellers, buyers and consumers.

The company also holds many global fishing quotas for Alaska pollock in the Bering Sea, which stretches across the northernmost part of the Pacific Ocean. This is also true for hoki, cod and horse mackerel in New Zealand and Patagonian toothfish in the Australian economic zone in the Antarctic Ocean. This inimitable business model stands in stark contrast to major overseas aquaculture companies that specialize in specific fish species, or local fishing companies that only have fishing rights in specific sea areas. Opportunities to acquire such fishing quotas are extremely limited and it can be said that the company, which has been operating globally for many years, was blessed with both the opportunity and actual ability to acquire them.

Wholesale is Also a Key Asset

The company cites “Wholesale” as another key asset alongside fishing quotas. Wholesale businesses are domestic entities that collect marine products and other products shipped from production areas and sell them to intermediate wholesalers and other intermediaries at wholesale markets. Led by Daito Gyoryu (Tokyo Toyosu), the company owns relatively large Wholesale companies as consolidated subsidiaries in major cities nationwide, including Daito Gyoryu (Nagoya), Daikyo Gyoryu (Kyoto) and Shinko Gyoryu (Kobe). Even in the Kyushu region, which is strongly characterized by local producer markets, the company has two consolidated subsidiaries (Kyushu Fish Market and Kyushu Central Fish Market).

As the proportion of transactions conducted through wholesale markets has declined, the share of cargo handling within the overall seafood distribution sector has also decreased. However, the collection capabilities of cargo handling companies remain strong. Since the company possesses downstream sales channels - including not only cargo handling companies but also GMS/SM (Supermarkets), restaurants and institutional lunch service providers - it plans to actively leverage its cargo handling operations as an asset that is difficult to replicate. In fact, in line with the strengthening of its “Value Cycle” initiatives, operating income at its domestic Wholesale companies for FY ended March 2026 appears to have increased significantly and profit margins also improved.

4) Purpose, Mission, and Values

Purpose and Mission

In March 2025, coinciding with announcing the name change, the company has also formulated a new purpose and mission. The purpose is "For the ocean, for life". It reflects the company's desire to continue challenging itself to spread "food" that can make not only all people of the world, but the entire planet healthy by protecting ecosystems and to pass on the rich blessings of nature to the next generation.

Their mission is, "We are sincere in our approach and contribute to the enrichment and happiness of people's lives through authentic, safe and healthy food". This purpose and mission overlap with the company's corporate DNA and its difficulty imitating and seems appropriate for a company that has been in business for 146 years.

Values

In March 2026, marking the change of its corporate name to Umios, the company established the following new “Values” to be shared across the entire group.

1. JOY: Spread joy and happiness through food.
2. PIONEER: Explore together to discover new horizons.
3. SUSTAINABILITY: Do work that earns the Earth’s gratitude.
4. SINCERITY: Show respect for the ocean, sincerity toward others, and passion in our work.
5. EXPERIENCE: Preserve, polish, and pass on to the future.

6. Financial Strategy

Net D/E Ratio Fell Sharply Due to Increased Equity Capital

The company's financial condition has improved significantly since implementing its two previous mid-term management plans (FY2018-FY2021, FY2022-FY2024).

The equity ratio at the end of FY ended March 2018 was only 22.3%, but rose to 32.9% at the end of FY ended March 2026. The net debt-to-equity ratio also dropped sharply from 2.2x at the end of FY ended March 2018 to 1.0x at the end of FY ended March 2026. Interest-bearing debt increased slightly from ¥266 billion at the end of FY ended March 2018 to ¥306.9 billion at the end of FY ended March 2026, but as cash and deposits increased from ¥16.4 billion at the end of FY ended March 2018 to ¥54.1 billion at the end of FY ended March 2026, net interest-bearing debt decreased by ¥3.2 billion during this period.

Meanwhile, equity capital increased significantly from ¥115.4 billion at the end of FY ended March 2018 to ¥247.2 billion at the end of FY ended March 2026, mainly due to profit accumulation. As a result, R&I's issuer rating was upgraded from BBB+ on February 28, 2022, to A- on March 3, 2025. In its new mid-term management plan announced on March 24, 2025, the company has set a target of achieving a net D/E ratio of 1.0x and maintaining an R&I rating of A- by the end of FY ending March 2028.

Increased Awareness of Capital Costs

In the mid-term management plan for FY2018 to FY2021, the KGI's for which the company set targets were net sales, operating income and ROA for FY ended March 2022, as well as the D/E ratio and equity ratio at the end of FY ended March 2022. For the KGI's mid-term management plan for FY2022 to FY2024, UmEV (Umios Economic Value), net sales, operating income, ordinary income, overseas ordinary income ratio, EBITDA, ROIC, ROE and net D/E ratio were selected, with a greater awareness of capital costs than before.

UmEV (Formerly MNEV)

UmEV is an index that is uniquely calculated as the economic added value associated with the results of business activities and is calculated by multiplying the difference between the return on invested capital (ROIC) and the weighted average cost of capital (WACC) (UmEV spread) by the invested capital. The company also defines ROIC as (operating income + interest paid - interest received) x (1 - effective tax rate) / invested capital.

Dividend Increases Every Year from FY Ended March 2022 Onwards

Regarding dividends, the company has been following a stable dividend policy up until FY ended March 2021, paying ¥10 per share in FY ended March 2015 and FY ended March 2016 and ¥13.3 FY ended March 2017 to FY ended March 2021. After that, the company continued to increase dividends to ¥18.3 in FY ended March 2022, ¥21.7 in FY ended March 2023, ¥28.3 in FY ended March 2024, ¥36.7 in FY ended March 2025 and ¥44.7 in FY ended March 2026.

For FY ending March 2027, the firm plans to pay a dividend of ¥45, in accordance with the dividend policy set forth in their medium-term management plan, which calls for a dividend payout ratio of 30% or more and progressive dividends. The company also bought back ¥5 billion of its own shares in FY ended March 2023.

Figure 10. Changes in Financial Data

(¥mn)

FY	Mar/20	Mar/21	Mar/22	Mar/23	Mar/24	Mar/25	**Mar/26**
[Cash Flow]							
Net Income	12,537	5,753	16,898	18,596	20,853	23,264	**22,182**
Depreciation, Goodwill & Amortization	16,639	17,168	17,750	16,695	17,893	18,968	**20,059**
Capital Expenditures	-24,824	-22,923	-16,579	-31,510	-22,983	-20,758	**-28,030**
Payments for Purchases of Shares of Subsidiaries Resulting in Change	-98	-2,312	-1,574	-3,299	0	-775	**-7,037**
Acquisition of Common Stock for Treasury	-5	-5	-4	-5,381	-266	-6	**-5**
Dividend Payment	-2,098	-2,096	-2,097	-2,883	-5,038	-5,037	**-5,546**
[B/S]							
Cash and Deposits	21,782	31,579	24,952	33,679	37,944	49,240	**54,141**
Interest-Bearing Debt (Excluding Lease Obligations, etc.)	261,715	259,837	250,604	301,139	284,351	270,912	**306,880**
Equity Capital	132,628	142,496	160,174	178,311	207,128	229,567	**247,236**
[Major Indicators]							
Capital Adequacy Ratio	25.1	26.7	29.2	28.0	30.8	33.7	**32.9**
D/E Ratio	2.0	1.8	1.6	1.7	1.4	1.2	**1.2**
Net D/E Ratio	1.8	1.6	1.4	1.5	1.2	1.0	**1.0**
Dividend Per Share (¥)	13.3	13.3	18.3	21.7	28.3	36.7	**44.7**
Dividend Payout Ratio	16.8	36.4	17.1	18.1	20.6	23.8	**30.4**

Note: Dividends per share are adjusted for the impact of stock splits.

Source: Company Data. Prepared by Strategy Advisors.

7. Market Trends and Comparison with Peers

1) World Protein Production by Source

The Production Volume of Both Marine Products and Meat is Increasing at an Annual Rate of 2%, with the Composition Ratio being 4:6

From 1991 to 2022, the world's protein supply, including marine products and meat, has increased at an annual rate of about 2%. The production volumes of both marine products and meat have also increased at an annual rate of about 2%. Therefore, the composition ratio of marine products to meat (roughly 4:6) has not changed significantly over the past 30 years.

Figure 11. World and Japanese Protein Production by Source ('000 Tons)

Protein Source	1991	2000	2010	2020	2022	CAGR (90-22)	2033	CAGR (22-33)
World	265,449	341,024	419,547	493,774	520,644	2.2%	578,439	1.0%
Seafood	97,431	125,984	144,947	177,481	185,457	2.1%	206,226	1.0%
Fisheries	83,705	93,564	87,188	89,763	91,027	0.3%	93,796	0.3%
Aquaculture	13,726	32,420	57,759	87,718	94,430	6.4%	112,430	1.6%
Meat	168,017	215,041	274,600	316,292	335,186	2.3%	372,214	1.0%
Beef	55,122	58,577	66,693	71,305	73,679	0.9%	81,224	0.9%
Pork	70,372	88,566	107,882	108,143	122,017	1.8%	131,058	0.7%
Chicken	42,523	67,898	100,025	136,844	139,490	3.9%	159,932	1.3%
Japan	12,564	8,691	7,872	7,087	6,791	-2.0%		
Seafood	9,773	6,253	5,233	4,185	3,864	-2.9%		
Fisheries	8,511	5,022	4,122	3,215	2,952	-3.4%		
Aquaculture	1,262	1,231	1,111	970	912	-1.0%		
Meat	2,791	2,439	2,639	2,902	2,928	0.2%		
Beef	407	365	358	335	348	-0.5%		
Pork	1,026	879	895	917	901	-0.4%		
Chicken	1,358	1,195	1,386	1,650	1,679	0.7%		

Source:

FAO, Fisheries Agency's Fisheries White Paper & Materials from the Agriculture and Livestock Industries Corporation.

Prepared by Strategy Advisors.

While the Fishing Industry has Remained Largely Stable, Aquaculture has Increased by 6% Annually

Looking at fisheries and aquaculture separately, the production volume of fisheries has remained roughly stable over the past 30 years, while aquaculture has increased at an annual rate of about 6%. As a result, the composition ratio of fisheries to aquaculture has changed significantly from 9:1, 30 years ago to 5:5.

The Growth Rates of Meats are 4% for Chicken, 2% for Pork & 1% for Beef. Chicken Production Accounts for 40% of Total Meat Production

As for meat, chicken production has been growing at an annual rate of about 4%, pork production at about 2% and beef production at about 1%, with chicken production surpassing pork to become the largest. As of 2022, the composition ratio of chicken, pork and beef will be roughly 4:4:2.

The Projected Annual Growth Rate for Production Through 2033 is 1% for Both Seafood & Meat

FAO projects that protein production will grow at 1% per year up to 2033, half the pace of the past 30 years. Marine products and meat production are both expected to grow at about 1% per year, with fisheries remaining roughly flat while aquaculture is expected to grow at about 2% per year. As for meat, chicken production is expected to remain the highest, while pork production is expected to grow at a slower rate than beef.

Japan's Domestic Production of Marine Products has Declined, while Meat Production has Remained Stable

Japan's domestic protein production has been declining at an annual rate of 2%, in contrast to the global trend. This decline is due to a reduction in marine production at an annual rate of about 3%, while meat production has remained roughly flat.

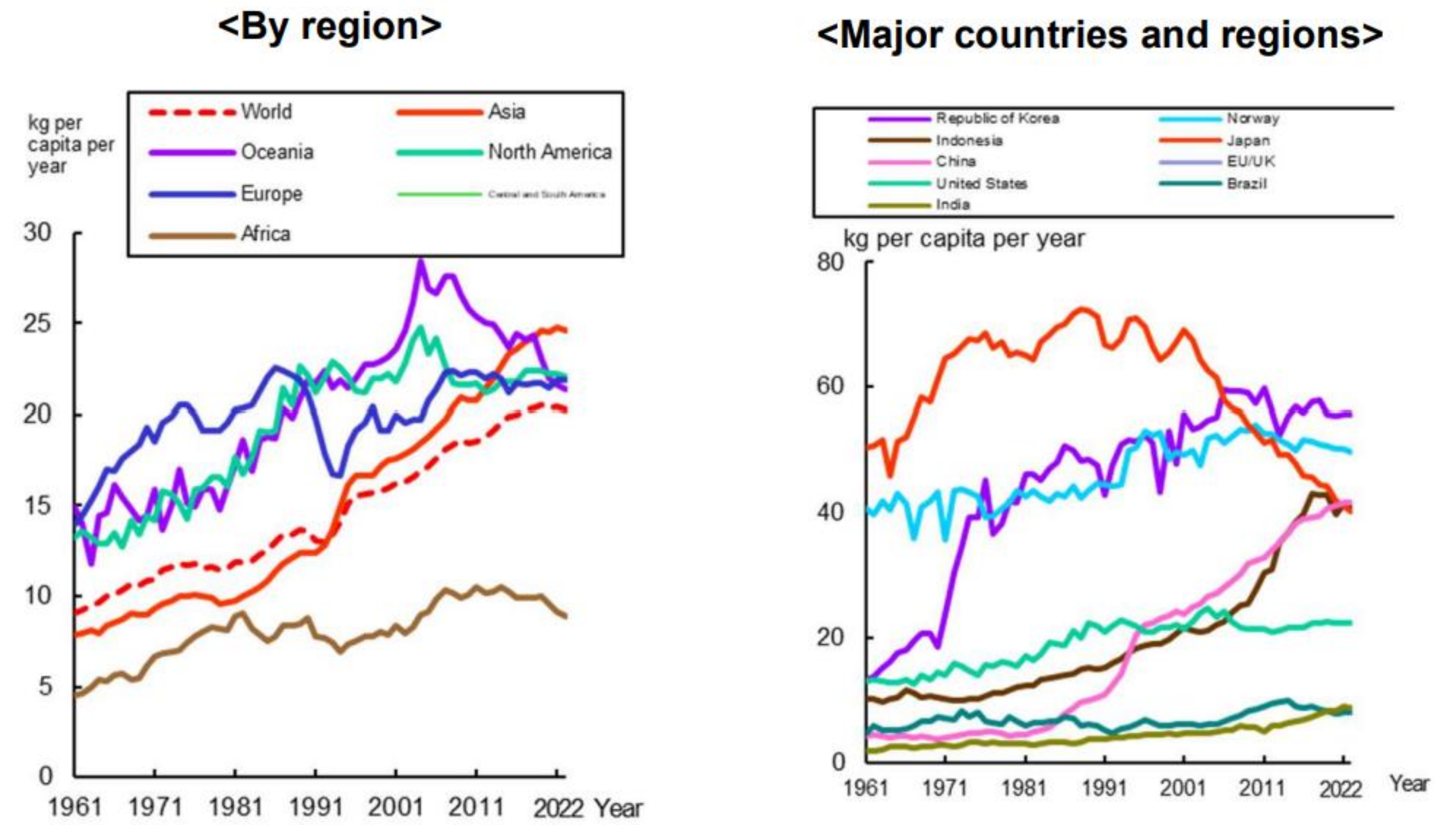
Japan is an Exception in that it does not Impose Fishing Quotas on Each Vessel & there is No System in Place to Maintain Fishery Resources

The production volume of marine products has declined in both fishing and aquaculture, with the main cause being the decline in fishing production. In other countries, systems have been put in place to balance the preservation of marine resources and the maintenance of catches by allocating catches to each vessel. But in Japan, the introduction of catch quotas for each vessel has not progressed. The situation is such that each fishing vessel uses up as much marine resources as possible in order to maximize its individual profits and the marine resources around Japan are being destroyed.

The Fishing Industry is a Growing Industry Globally

From the demand side, annual per capita marine products consumption in Japan has exceeded 60 kg since around 1970, far exceeding the world average. However, as young people, in particular, have been turning away from fish, this has been on a downward trend since around 2000. On the other hand, as living standards improve, annual per capita marine products consumption has actually continued to expand around the world, primarily in Asian countries such as Indonesia and China and the fishing industry is positioned as a global growth industry.

Figure 12. Trends in the World's Annual Per-Capita Consumption of Fish & Fishery Products (As Food)



※ Crude food is the number of edible fish and shellfish, including parts that are discarded. Latin America includes the Caribbean region.

Source: Prepared by the Fisheries Agency based on FAO (outside Japan) & the Ministry of Agriculture, Forestry and Fisheries "Food Supply and Demand Table" (Japan).

Japan: Increases in Chicken Production Offsets Declines in Other Meat Products

Regarding meat production in Japan, there is a slight increase overall. Whilst chicken production is increasing, beef and pork production is decreasing.

2) Protein Supply and Demand in Japan

Japan's Domestic Protein Production is Declining at a Faster Rate than Consumption & Self-Sufficiency is Declining

From 1991 to 2022, Japan's protein consumption has declined at an annual rate of 0.6% due to factors such as a decline in population and a trend away from fish, particularly among young people, but domestic protein production has declined at an even faster rate of 2.0% per year. As a result, the protein self-sufficiency rate has fallen from over 100% to 68%. The breakdown of this is as follows: the self-sufficiency rate for marine products has fallen from 118% to 77% and the self-sufficiency rate for meat has fallen from 71% to 59%; with the decline being greater for marine products, while the self-sufficiency rate for meat is lower.

Figure 13. Japan's Protein Supply-Demand Balance and Self-Sufficiency Rate ('000 Tons)

Protein Source	1991	2000	2010	2020	2022	CAGR (90-22)
Production	12,564	8,691	7,872	7,087	6,791	-2.0%
Seafood	9,773	6,253	5,233	4,185	3,864	-2.9%
Meat	2,791	2,439	2,639	2,902	2,928	0.2%
Beef	407	365	358	335	348	-0.5%
Pork	1,026	879	895	917	901	-0.4%
Chicken	1,358	1,195	1,386	1,650	1,679	0.7%
Consumption	12,235	12,868	11,098	10,250	10,013	-0.6%
Seafood	8,277	8,529	6,765	5,283	5,050	-1.6%
Meat	3,958	4,339	4,334	4,926	4,963	0.7%
Beef	789	1,086	852	930	880	0.4%
Pork	1,459	1,516	1,661	1,827	1,835	0.7%
Chicken	1,710	1,737	1,821	2,169	2,248	0.9%
Self-Sufficiency Rate	103%	68%	71%	69%	68%	
Seafood	118%	73%	77%	79%	77%	
Meat	71%	56%	61%	59%	59%	
Beef	52%	34%	42%	36%	40%	
Pork	70%	58%	54%	50%	49%	
Chicken	79%	69%	76%	76%	75%	

Source: Based on FAO, Fisheries Agency's Fisheries White Paper, and materials from the Agriculture and Livestock Industries Corporation. Prepared by Strategy Advisors.

Rising Prices are One Reason for Decline in Marine Products Consumption

The relatively high self-sufficiency rate for marine products compared to meat is in part due to a decline in consumption. While meat consumption is increasing at an annual rate of 0.7%, marine products consumption is decreasing at an annual rate of 1.6%. This decrease is due to demand-side factors such as changes in eating habits, but also to supply-side factors such as the rise in marine products prices (due to the decline in the number of fishermen after the Great East Japan Earthquake, soaring fuel prices and rising import prices due to the weak yen). Over the past 30 years, the price increase rates for marine products and meat have been at the same level of about 1% per year, but since 2010, the increase in marine products prices has been 3.2% and 1.8% for meat, meaning that the price increase rate for marine products is much higher than that for meat.

Figure 14. Consumer Price Index for Marine Products and Meat (1991 = 100)

Protein Source	1991	2000	2010	2020	2022	CAGR (90-22)	CAGR (10-22)
Marine Products	100.0	101.2	99.0	128.9	144.5	1.2%	3.2%
Meat	100.0	102.8	113.1	133.5	139.9	1.1%	1.8%

Source: Data from the Statistics Bureau of the Ministry of Internal Affairs and Communications. Prepared by Strategy Advisors.

3) Comparison with Peers (Business Portfolio)

JBS is the World's Top Protein Supplier by Sales

The top three publicly traded protein suppliers in the world by revenue are JBS SA (JBSS3 Sao Paulo), Tyson Foods (TSN NYSE) and Marfrig Global Foods (MBRF3 Sao Paulo), all of which are involved in meat production, processing and frozen foods.

JBS is Based in Brazil and Sells Beef, Pork & Chicken

Founded in 1953 in Anapolis, Goias, Brazil, JBS processes beef, pork and chicken and manufactures frozen foods. It has production and processing facilities around the world and operates in more than 150 countries. Its product lineup includes beef, pork and chicken as well as processed foods. In 2021, it acquired Huon Aquaculture, a major salmon producer in Australia and entered the aquaculture business.

Tyson Foods also Sells Beef, Pork and Chicken Products Worldwide

Tyson Foods is one of the world's largest food processing companies, headquartered in Springdale, Arkansas, USA. Founded in 1935 by John W. Tyson, the company currently produces and processes chicken, beef and pork. Tyson Foods owns well-known brands such as Jimmy Dean, Hillshire Farm and Ball Park and sells products around the world.

Marfrig Global Foods is One of the World's Leading Beef Processing Companies

Founded in 1986, Marfrig Global Foods is a major global meat processing company headquartered in São Paulo, Brazil. In particular, it boasts world-class scale in beef production and processing. Today, the company operates in approximately 120 countries worldwide, including South America, North America, the Middle East and Asia.

NH Foods is the Top Japanese Company in Terms of Sales

The top 3 Japanese companies in terms of sales are NH Foods Ltd. (2282 TSE Prime), Umios and Itoham Yonekyu Holdings Inc. (2296 TSE Prime).

NH Foods is Headquartered in Osaka and Deals in Processed Meat Products, Ham, Sausages, etc.

NH Foods was founded in 1949 and is headquartered in Umeda, Kita-Ku, Osaka. It manufactures and sells processed meat products, ham, sausages, dairy products, frozen foods, etc. NH Foods has many production bases both in Japan and overseas and is expanding its business globally.

Itoham Yonekyu Holdings was Established in 2016 Through a Merger

Itoham Yonekyu Holdings is a company established on April 1, 2016, through the business integration of Itoham Inc. and Yonekyu Co., Ltd., and is headquartered in Meguro-Ku, Tokyo. It manufactures and sells processed meat products, ham, sausages, frozen foods and other products, and has many production bases both in Japan and overseas.

Figure 15. Major Business Portfolios of Major Companies in the Fisheries, Meat, Marine Products Processing and Frozen Food Industries

Company Name	Ticker	Country	Sales (¥mn)	Fisheries	Aquaculture	Meat	Processed Foods	Frozen Food	Agricultural Products	Health Food	Pet food
JBS N.V.	JBS	Brazil	12,894,182	-	○	○	○	○	-	-	-
Tyson Foods	TSN	United States	8,121,950	-	-	○	○	○	-	-	-
Marfrig Global Foods	MBRF3	Brazil	4,397,450	-	-	○	○	○	-	-	-
WH Group	00288	Hong Kong	4,193,024	-	-	○	○	○	-	-	-
Kraft Heinz	KHC	United States	3,731,621	-	-	-	○	○	-	-	-
Muyuan Foods	002714	China	3,001,061	-	-	○	○	-	-	-	-
General Mills	GIS	United States	2,940,159	-	-	-	○	○	-	-	○
CJ CheilJedang	097950	South Korea	2,882,832	-	-	-	○	○	-	○	-
Pilgrim's Pride	PPC	United States	2,767,455	-	-	○	○	○	-	-	-
Charoen Pokphand	CPF	Thailand	2,601,670	-	○	○	○	○	○	-	○
Smithfield Foods	SFD	United States	2,323,623	-	-	○	○	○	-	-	-
Wens Foodstuff	300498	China	2,162,384	-	-	○	○	○	-	-	-
Hormel Foods	HRL	United States	1,807,854	-	-	-	○	○	-	-	-
Conagra Brands	CAG	United States	1,752,152	-	-	-	○	○	-	-	-
NH Foods	2282	Japan	1,457,391	-	-	○	○	○	-	○	-
Henan Shuanghui	000895	China	1,237,936	-	-	○	○	○	-	-	-
Umios	**1333**	**Japan**	**1,105,890**	**○**	**○**	**○**	**○**	**○**	**○**	**○**	**○**
Itoham Yonekyu HD	2296	Japan	1,071,381	-	-	○	○	○	-	-	-
Dongwon Industries	006040	South Korea	1,010,443	○	-	-	○	○	-	-	-
Mowi	MOWI	Norway	962,445	-	○	○	○	-	-	-	-
Nissui	1332	Japan	931,265	○	○	○	○	○	-	○	-
Nichirei	2871	Japan	716,144	-	-	-	○	○	-	-	-
Thai Union Group	TU	Thailand	604,569	○	○	-	○	○	-	○	○
Austevoll Seafood	AUSS	Norway	567,525	○	○	-	○	○	-	-	-
Japfa Comfeed	JPFA	Indonesia	553,913	-	○	○	○	○	-	-	-
Leroy Seafood	LSG	Norway	496,142	○	○	-	○	○	-	-	-
SalMar	SALM	Norway	394,796	-	○	-	○	○	-	-	-
Kyokuyo	1301	Japan	334,612	○	○	-	○	○	-	-	-
Yokorei	2874	Japan	125,563	-	-	-	○	○	-	-	-
Kibun Foods	2933	Japan	111,038	-	-	-	○	○	-	-	-

*Exchange rates calculated at ¥27.7 to Brazilian real, ¥150 to U.S. dollar, ¥0.1 to Korean won, ¥4.6 to Thai baht, ¥21 to Chinese yuan, ¥175 to Euro and ¥15 to Norwegian krone.
Source: Company Data. Compiled by Strategy Advisors.

Umios has the Highest Net Sales Among Companies Whose Main Business is Marine Products

When limited to companies whose core business is the fisheries industry, the top three global companies by net sales are Umios, Mowi ASA (MOWI, Oslo), and Dongwon Industries Co., Ltd. (006040, South Korea). While Umios is involved in both fishing and aquaculture, Mowi focuses solely on aquaculture, and Dongwon Industries focuses solely on fishing. It has been reported that Dongwon Industries is planning to enter the land-based salmon aquaculture market, but it appears the company has not yet launched this business.

Mowi is the World's Largest Salmon Farming Company

Mowi is the world's largest salmon farming company, headquartered in Norway. Founded in 1964, the company currently farms, processes and sells salmon. The company's headquarters are in Bergen and it operates worldwide, with a focus on Norway. It also has a base in Japan, with factories in Narita, Chiba Prefecture and Izumisano, Osaka Prefecture, where it processes and sells salmon.

Dongwon Industries is Engaged in Tuna and Salmon Fishing, as well as the Cold Storage Business

Dongwon Industries is a leading Korean seafood company established in 1969. It is headquartered in Seoul and Busan and operates worldwide. Dongwon Industries mainly catches, processes, and sells seafood such as tuna and salmon. In particular, it uses quick freezing technology to provide high-quality marine products and exports to Japan, the United States, Europe and other countries. It also owns the StarKist Tuna brand, which has a strong presence in the North American market for marine products processing such as canned tuna and has a strong presence in the global market. In addition, Dongwon Industries also operates a refrigerated warehouse business and has built a low-temperature logistics network both domestically and internationally.

8. Risk Factors

We will list the risks that may affect Umios's performance and stock price trends, on both the group level and for each business segment.

Group-Wide Risks

Risks affecting the entire group include securing labor both domestically and overseas, fluctuations in raw material prices, rising crude oil prices, natural disasters, infectious diseases and accidents, country risk and risks related to M&A.

Securing the Workforce

If there is a labor shortage, operations in industries such as fishing and food processing may be halted and labor and logistics costs may increase as wages rise.

Fluctuations in Raw Material Prices

Increased demand for raw materials, a weak yen, and rising purchase prices due to reduced fish catches could lead to lower profit margins. On the other hand, if purchase prices fall significantly, there is a possibility that the firm will incur impairment losses on inventory.

Rising Oil Prices

This could lead to increases in fuel costs (mainly for fishing, aquaculture, etc.) and shipping and delivery costs (all segments).

Earthquakes & Other Natural Disasters, Infectious Diseases & Accidents	There is a possibility that natural disasters such as earthquakes may damage production facilities, halt operations or paralyze logistics functions, resulting in disruption to product supplies. In aquaculture operations, if a fish disease that is difficult to prevent occurs, or if a typhoon or red tide occurs, there is a risk of a large number of farmed fish suddenly dying.
Country Risk	In overseas businesses, changes in the politics, economy, society, legal systems, tax systems, etc., of the country in which we operate or its neighboring countries, restrictions on economic activity due to terrorism, riots, or war or interruptions to supply chains or distribution networks, etc., may have an impact on the firm's business activities.
M&A-Related Risks	In its new medium-term management plan, the Group has indicated a policy of allocating approximately ¥70 billion to inorganic investments, including M&A. In cases where a large amount of fixed assets and goodwill is recorded as a result of M&A, there is a possibility that impairment losses on fixed assets and goodwill will occur if the performance of the target company falls short of expectations.
Risks in the Marine Resources Business Segment, etc.	Risks for the Marine Resources Business Segment and the Marine Products Trading Unit include new entrants into the aquaculture industry, strengthened fishing and resource regulations plus the rise of alternative proteins.
New Entrants & Intensifying Competition in the Aquaculture Industry	With regard to the fishing industry, the hurdles for new entrants are high due to the need to secure fishing rights, the burden of capital investment and regulations from the government and local governments. On the other hand, although there are hurdles in terms of initial investment and environmental protection, as aquaculture techniques become more widespread, there are examples of domestic start-ups and local ventures entering the industry by specializing in specific fish species. Also, there are companies overseas that are engaged in large-scale aquaculture and sales competition in the global market is likely to intensify.
Strengthening Fishing Regulations and Resource Limits	Many countries are strengthening resource management for popular fish species such as tuna, salmon and cod. While fishing quotas are shrinking, global demand is on the rise, making it easy for raw material prices to rise. In order to procure raw materials stably over the long term, it is necessary to secure fishing rights and strengthen aquaculture operations. In addition, if it is difficult to pass on price increases, there is a risk that profit margins will be squeezed.
The Rise of Alternative Proteins	In recent years, "alternative proteins" such as plant-based meat substitutes and cultured meat have been attracting attention and if they establish themselves as alternative products to fish in the future, they could pose a potential threat to the seafood business.
Risks in the Foodstuff Distribution Business and Processed Foods Business Segments	Risks facing the Foodstuff Distribution Business and Processed Foods Business Segments include saturation of the domestic market and price competition, intensifying competition in the global market and US tariff policies.

Saturation of the Domestic Market and Price Competition	In Japan, the declining population due to the low birth rate and aging population limits the room for growth in the food market as a whole and there are concerns that price competition will intensify. Another issue is the trend of young people moving away from fish. If efforts such as introducing new products, increasing unit prices through high added value and developing small-volume, health-conscious products for seniors do not proceed smoothly; there is a possibility that a decrease in sales volume and a drop-in unit sales price will affect business performance.
Intensifying Competition in the Global Market	The company group plans to aim for growth in overseas foodstuff distribution markets and processed foods markets through capital investment and acquisitions. There is however the possibility that competition with overseas companies with similar value chains will intensify in the global market.
US Tariff Policies	Since North America is a major sales destination for Thailand's pet food business, if the United States imposes high reciprocal tariffs on Thailand, this could have an impact on sales volume and shipping prices.

9. Promoting Sustainability Management

1) Sustainability

Update Sustainability Strategy KGI and KPI

In 2025, the company conducted a survey of employees and external stakeholders with a view to reviewing the materiality criteria identified in FY2021. As a result, there were no changes to the materiality items, and all nine items were retained as material. On the other hand, some changes were made to the KGI (the company's vision for 2030) and key KPIs, based on progress made under the previous medium-term management plan. The status of the sustainability strategy update is shown in Figures 29 and 30.

Figure 16. Sustainability Strategy KGI and KPI (Environmental Value)

	Materiality	Risks and opportunities (○: opportunities/●: risks)	KGI (ideal state in 2030)	Main KPIs	Targets	FY ended March 2025 (Previous Mid-term Management Plan results)		
						Targets	Results	Self-evaluation
Creation of environmental value	1 Action against climate change Climate Change	○ Expand sales opportunities for aquaculture marine products to compensate for the decline in the catch of wild capture marine products ● Growing risk of raw material procurement failure due to climate change	Establish a leading position in the industry for decarbonization and action against climate change with the aim of achieving carbon neutrality by 2050	CO_2 emissions reduction rate (Compared to Mar/2018: Domestic G[*1])	Mar/2031 target: 30% or more Mar/2028 target: 20% or more	10% or more	13.3%	★★★☆☆
				CO_2 emission reduction targets (Overseas G[*1])	Mar/2031 target: — Mar/2028 target: Set targets	—	—	—
				Scope 3 target-setting (Domestic G)	Mar/2031 target: — Mar/2028 target: Set targets	—	—	—
	2 Contributing to a recycling-oriented society Resource Circulation	○ Cost reductions through reduced use of plastic containers and packaging, as well as food loss and waste reduction ● Cost increases due to switching to environmentally friendly materials for plastic containers and packaging	Adoption and practice of circular economy through the efficient use of resources within the Group	Rate of reduction of plastic use in container packaging (Compared to Mar/2021: MN[*1])	Mar/2031 target: 30% or more Mar/2028 target: 20% or more	10% or more	7.0%	★★☆☆☆
				Food loss (product waste) reduction rate (Compared to Mar/2021: Domestic G)	Mar/2031 target: 80% or more (revised upward from previous Mid-term Management Plan) Mar/2028 target: 70% or more (revised upward from previous Mid-term Management Plan)	20% or more	64.9%	★★★★★
				Setting of plastic use reduction targets at production plants (Domestic G)	Mar/2031 target: — Mar/2028 target: Set targets (2025)	—	—	—
				Analysis and evaluation of water resource risks and opportunities and countermeasures, and examination of countermeasures	Mar/2031 target: — Mar/2028 target: Analyze risks, opportunities, and countermeasures	—	—	—
	3 Action against marine pollution by marine plastics Marine Plastics & Debris	○ Improve the image of the Company as a company that actively addresses the problem of marine plastics ● Cost increases due to switching to fishing gear that is less likely to be washed away at sea	Practice zero discharge of plastics into the ocean by the Company and the supply chain	Formulation of fishing gear management guidelines for suppliers and spreading of awareness of their operation (MN)	Mar/2031 target: — Mar/2028 target: Formulate guidelines and spread awareness of their operation	Formulation and operation of intra-Group guidelines	Formulated Group guidelines and put them in operation	★★★☆☆
				Joint organization of cleanup activities with external stakeholders (Domestic G)	Mar/2031 target: 33 times or more/year Mar/2028 target: 21 times or more/year	Cumulative employee participation rate in coastal cleanup: 10% or more	Cumulative employee participation rate in coastal cleanup: 28.2%	★★★★☆
	4 Action for preserving biodiversity and ecosystems Marine Resources	○ Increase enterprise value through the provision of sustainable marine resources ● Rising costs of obtaining and maintaining certification	Confirm that there is no risk of resource depletion in the fish stocks we handle	Confirmation rate of resource status for marine resources handled; formulation of handling policy for fish species whose evaluation is unknown (Overall G[*1])	Mar/2031 target: Resource status confirmation rate of handled marine product resources: 100% Mar/2028 target: Establishment of handling policy for fish species whose evaluation is unknown	—	Resource status confirmation rate of handled marine product resources: 81.8%	★★★☆☆
				Establishment of electronic traceability methods	Mar/2031 target: — Mar/2028 target: Begin operation for certain fish species	—	—	—
				Implementation of biodiversity risk assessment based on TNFD framework (Domestic G)	Mar/2031 target: — Mar/2028 target: Expand implementation of scenario analysis based on TNFD	Conduct biodiversity risk assessment	Conducted biodiversity risk assessment for certain businesses	★★★☆☆
				Implementation of certification-level management for aquaculture farms (Domestic G)	Mar/2031 target: — Mar/2028 target: Establish a management structure at all aquaculture facilities in the Group	Implementation of certification-level management for all aquaculture farms	Implemented certification-level management for all aquaculture farms	★★★☆☆

* Target organizations are listed by their names. MN: Maruha Nichiro (now Umios), Domestic G: domestic consolidated subsidiaries, Overseas G: overseas group consolidated subsidiaries, Entire G: all consolidated group companies
Source: Company Data.

Figure 17. Sustainability Strategy KGI/KPI (Social Value)

	Materiality	Risks and opportunities (○: opportunities/●: risks)	KGI (ideal state in 2030)	Main KPIs	Targets	FY ended March 2025 (Previous Mid-term Management Plan results)		
						Targets	Results	Self-evaluation
Creation of social value	5 Provision of safe and secure food Food Safety	○ Cost reductions from fewer quality-related incidents and quality complaints ● Decline in profitability due to loss of customer trust caused by product quality complaints or problems	Provide safe food to people around the world	• Serious quality-related incidents[*2] (Domestic G[*1])	Mar/2031 target: — Mar/2028 target: Zero cases	Zero cases	Zero cases	★★★☆☆
Creation of social value	6 Food provision contributing to creating health value and sustainability Health Value Creation	○ Improve enterprise branding to create health value for customers and provide food with sustainability in mind ● Cost increases in product development that fulfills product standards	Establish branding as a top food company contributing to creating health value and sustainability	• Sales ratio of products that satisfy each product standard[*3] (MN[*1])	Mar/2031 targets: Products that satisfy salt intake standards: 65% or more Products that satisfy protein intake standards: 45% or more Products that satisfy lipid intake standards: 20% or more Sales value of nursing care foods: 190% or more (compared to Mar/2023) GSSI-certified products: 15% or more Mar/2028 target: —	Establish product standards that contribute to health value creation and sustainability and set Mar/2031 targets	Established product standards that contribute to health value creation and sustainability and set Mar/2031 targets	★★★☆☆
				• ESG evaluation that includes health value creation and sustainability	Mar/2031 target: Improve ESG evaluation Mar/2028 target: —	—	—	—
Creation of social value	7 Building a workplace environment where diverse employees can work with a sense of security Inclusive Workplace	○ Improve motivation within the Company by appointing human resources regardless of gender, age, nationality, etc. ● Incur human capital development and workplace environment improvement costs	Achieve a workplace environment where diversity is respected and employees feel safe and comfortable at work	• Percentage of female employees by maintaining 50% female recruitment ratio (MN)	Mar/2031 target: 35% or more Mar/2028 target: —	Female hiring ratio: 50%	Female hiring ratio: 50% Percentage of female employees: 29.2%	★★★☆☆
				• Percentage of women on Board of Directors: 30% (MN)	Mar/2031 target: 30% or more Mar/2028 target: —	—	—	—
				• Percentage of female Managers (MN)	Mar/2031 target: 15% or more Mar/2028 target: —	7.5%	7.7%	★★★☆☆
				• Achievement of goals for each talent pool based on the Human Resource Development Program (MN)	Mar/2031 target: Achieve numerical goals for each talent pool Mar/2028 target: Achieve numerical goals for each talent pool	Establish the Maruha Nichiro Human Resource Development Program and set Mar/2031 targets	Established the Maruha Nichiro Human Resource Development Program and set Mar/2031 targets	★★★☆☆
				• Achievement of engagement score for specific items for employee engagement (MN)	Mar/2031 target: Achieve engagement score targets for specific items Mar/2028 target: Achieve engagement score targets for specific items	Establish employee engagement assessment methodology and set Mar/2031 targets	Established employee engagement assessment methodology and set Mar/2031 targets	★★★☆☆
Creation of social value	8 Respect for human rights in business operations	○ Reduce human rights risks within the Group and in the supply chain ● Damage to enterprise value due to delays in responding to human rights issues	Successful initiatives aimed at zero human rights violations by the Company and the supply chain	• Establishment and operation of a complaint processing mechanism that supports multiple languages and response to identified human rights violation risks (Overall G[*1])	Mar/2031 target: 100% (Overall G) Mar/2028 target: 100% (Domestic Overall[*1])	Achieve human rights training participation rate of 100% and elucidate issues through a human rights risk map	Human rights training implementation rate: 98.7% Clarified issues through a human rights risk map; put guidelines for foreign worker employment into operation	★★★☆☆
Creation of social value	9 Development of a sustainable supply chain Sustainable Supply Chains	○ Reduce risks of environmental and social issues in the supply chain ● Growing risk of raw material procurement failure due to delays in addressing environmental and social issues in the supply chain	Working with suppliers to build a sustainable procurement network	• Rate of agreement with supplier guidelines and rate of improvement in key items (Overall G)	Mar/2031 target: 100% Mar/2028 target: —	System coverage: 100%; consent rate: 100% (MN[*1])	System coverage: 100%; consent rate: 83.1% (MN)	★★★☆☆
				• Establishment of CSR audit methods and criteria and audit methods to avoid procurement of marine products derived from IUU fishing	Mar/2031 target: Operation in Overall G Mar/2028 target: Establish methods to avoid procurement from IUU fishing and promote lobbying activities	—	—	—

* Target organizations are listed by their names. MN: Maruha Nichiro (now Umios), Domestic G: domestic consolidated subsidiaries, Overseas G: overseas group consolidated subsidiaries, Entire G: all consolidated group companies
Source: Company Data.

Sustainability Promotion Structure

The company has established a sustainability promotion committee, chaired by a Director and Managing Executive Officer, with the Representative Director and President & CEO and other Executive Officers who also serve as Directors, Executive Officers in charge of related departments and the Outside Directors and Auditors as observers. The committee plans and sets goals for the sustainability strategy for the entire group and evaluates the activities of each group company.

Risk Management System

Led by the Legal Affairs and Risk Management Department, the department works with each department and group company to identify, evaluate and analyze risks inherent in business activities. In daily life, the Legal Affairs and Risk Management Department works to prevent risk escalation and crises, but in the event of a major incident or accident that threatens the survival of the company, or a large-scale natural disaster, the department plays a central role in crisis management to respond to emergencies.

2) Corporate Governance Structure and Mechanisms

Corporate Governance System

The company transitioned to a structure with an Audit and Supervisory Committee in June 2025.For FY ended March 2026, the company appointed 8 directors who are not members of the Audit and Supervisory Committee (including 4 independent outside directors) and 3 directors who are members of the Audit and Supervisory Committee (including three independent outside directors). Of the 11 officers,2 are women (both outside directors) and 1 is a foreign national (an outside director). In addition, the company has introduced an executive officer system, separating supervisory and executive functions.

Furthermore, the company has established a Nomination and Compensation Committee as an advisory body to the Board of Directors, which deliberates on matters such as the corporate governance structure, executive compensation, and the appointment of committee members.

Executive Compensation System

With regard to directors' compensation, the company has introduced a compensation system that clearly defines accountability for short-term performance while providing sound incentives aimed at enhancing corporate value and achieving sustainable growth over the medium to long term. The compensation system for individual directors is generally designed with the following target breakdown: 40–50% fixed compensation, 25–30% short-term performance-based compensation and 25–30% medium-term performance-based equity compensation.

Evaluations for short-term performance-linked compensation and medium-term performance-linked equity compensation are determined based on the degree of achievement of the KGI and KPI set forth in the medium-term management plan. The evaluation metrics and weightings for short-term performance-based compensation are as follows: consolidated ordinary income 25–50%, consolidated UmEV 25–50%, consolidated ordinary income of the assigned business unit 0–20%, consolidated UmEV of the assigned business unit 0–20%, and individual targets 0–10%. The evaluation metrics and weightings for medium-term performance-based compensation are: consolidated UmEV 30–60%, TSR 20%, consolidated UmEV of the assigned business 0–30% and ESG targets 20%.

Figure 18. Consolidated Income Statement (¥mn)

FY	Mar/21	Mar/22	Mar/23	Mar/24	Mar/25	Mar/26	Mar/27 CoE
Net Sales	**809,050**	**866,702**	**1,020,456**	**1,030,674**	**1,078,631**	**1,105,890**	**1,110,000**
Cost of Sales	700,505	746,206	885,202	896,856	933,033	951,909	
Gross Profit	**108,544**	**120,496**	**135,254**	**133,818**	**145,598**	**153,981**	
Gross Profit Margin	13.4%	13.9%	13.3%	13.0%	13.5%	13.9%	
SG&A Expenses	92,372	96,677	105,678	107,284	115,216	122,790	
Operating Income	**16,172**	**23,819**	**29,575**	**26,534**	**30,381**	**31,191**	**32,000**
Operating Income Margin	2.0%	2.7%	2.9%	2.6%	2.8%	2.8%	2.9%
Non-Operating Income	4,293	6,040	7,324	8,683	6,932	5,426	
Non-Operating Expenses	2,371	2,263	3,400	4,111	5,059	5,366	
Ordinary Income	**18,093**	**27,596**	**33,500**	**31,106**	**32,254**	**31,251**	**30,000**
Ordinary Income Margin	2.2%	3.2%	3.3%	3.0%	3.0%	2.8%	2.7%
Extraordinary Income/Losses	-7,568	-79	-1,955	4,785	9,691	8,249	
Extraordinary Income	194	2,164	4,378	9,560	11,922	11,473	
Extraordinary Losses	7,762	2,243	6,333	4,775	2,231	3,224	
Profit Before Income Taxes	10,525	27,518	31,545	35,891	41,945	39,501	
Pre-Tax Profit Margin	1.3%	3.2%	3.1%	3.5%	3.9%	3.6%	
Income Taxes	1,626	7,196	7,059	11,168	12,119	11,255	
- Current Period	3,711	4,519	7,597	9,848	10,306	12,278	
- Deferred	-2,085	2,677	-538	1,320	1,813	-1,023	
Profit Attributable to Non-Controlling Interests	3,145	3,422	5,890	3,868	6,560	6,063	
Profit Attributable to Owners of Parent	**5,753**	**16,898**	**18,596**	**20,853**	**23,264**	**22,182**	**15,000**
Net Profit Margin	0.7%	1.9%	1.8%	2.0%	2.2%	2.0%	1.4%

Source: Company Data. Compiled by Strategy Advisors.

Figure 19. Consolidated Balance Sheet (¥mn)

FY	Mar/21	Mar/22	Mar/23	Mar/24	Mar/25	Mar/26
Cash and Deposits	31,579	24,952	33,679	37,944	49,240	54,141
Notes and Accounts Receivable - Trade, and Contract Assets	102,644	115,391	131,769	138,418	133,259	143,722
Inventories	156,141	172,690	216,697	215,332	218,005	244,733
Other	10,147	11,271	10,494	13,291	14,072	14,872
Current Assets	**300,511**	**324,304**	**392,639**	**404,985**	**414,576**	**457,468**
Land	45,439	42,982	42,417	42,189	41,925	40,370
Construction in Progress	10,220	3,896	3,905	6,901	5,685	13,952
Other	92,243	93,371	102,673	103,130	110,601	117,610
Tangible Fixed Assets	**147,902**	**140,249**	**148,995**	**152,220**	**158,211**	**171,932**
Goodwill	7,914	7,965	8,868	7,529	5,728	7,622
Other Intangible Fixed Assets	11,997	14,067	22,860	24,530	25,594	25,658
Intangible Fixed Assets	**19,911**	**22,032**	**31,728**	**32,059**	**31,322**	**33,280**
Investments and Other Assets	**64,541**	**62,016**	**63,864**	**82,537**	**77,101**	**89,021**
Total Fixed Assets	**232,354**	**224,298**	**244,587**	**266,816**	**266,635**	**294,234**
Total Assets	**532,866**	**548,603**	**637,227**	**671,801**	**681,211**	**751,702**
Notes and Accounts Payable - Trade	34,270	36,226	41,701	43,734	44,972	54,078
Accounts Payable - Other	29,446	30,926	30,659	36,694	31,543	35,509
Short-Term Borrowings	135,920	138,467	174,228	167,509	133,069	137,386
Other	0	0	0	0	5,000	29,000
Current Liabilities	**213,968**	**221,544**	**265,448**	**272,969**	**236,915**	**281,295**
Long-Term Borrowings	0	0	5,000	18,000	33,000	51,000
Bonds Payable	123,917	112,136	121,910	98,841	99,842	89,494
Retirement Benefit Liabilities	19,383	18,515	19,091	21,761	22,495	20,990
Fixed Liabilities	**152,237**	**139,162**	**159,255**	**153,352**	**168,899**	**178,920**
Total Liabilities	**366,206**	**360,707**	**424,704**	**426,321**	**405,815**	**460,215**
Capital and Surplus	61,758	61,766	56,634	56,313	56,309	46,095
Retained Earnings	76,406	91,611	107,313	123,113	141,324	157,947
Treasury Shares	-83	-87	-308	-556	-542	-478
Shareholders' Equity	**138,081**	**153,291**	**163,639**	**178,870**	**197,090**	**203,564**
Total Accumulated Other Comprehensive Income	4,415	6,883	14,672	28,258	32,477	43,672
Non-Controlling Interests	24,163	27,721	34,210	38,351	45,827	44,250
Total Net Assets	**166,996**	**187,895**	**212,522**	**245,480**	**275,396**	**291,487**
Total Liabilities and Net Assets	**532,866**	**548,603**	**637,227**	**671,801**	**681,211**	**751,702**

Note: Short-term borrowings incl. long-term borrowings to be repaid within 1 year.

Source: Company Data. Compiled by Strategy Advisors.

Figure 20. Consolidated Statements of Cash Flow (¥mn)

FY	Mar/21	Mar/22	Mar/23	Mar/24	Mar/25	Mar/26
Profit Before Income Taxes	10,525	27,518	31,545	35,891	41,945	39,501
Depreciation & Goodwill Amortization	17,168	17,750	16,695	17,893	18,968	20,059
Increase/Decrease in Trade Receivables	3,082	-9,942	-9,836	-4,041	7,945	-5,925
Increase/Decrease in Inventories	9,558	-14,647	-35,235	6,465	2,270	-19,402
Increase/Decrease in Trade Payables	-1,026	2,704	1,650	31	-899	6,828
Others	-5,946	-4,134	-4,843	-2,635	-31,050	-16,257
Cash Flows from Operating Activities	**33,361**	**19,249**	**-24**	**53,604**	**39,179**	**24,804**
Purchase of Investment Securities	-152	-234	-149	-3,090	-52	-1,253
Proceeds from Sales and redemption of Investment Securities	202	1,209	3,227	1,333	15,215	10,889
Purchase of Tangible Fixed Assets	-22,323	-10,185	-15,712	-15,602	-17,511	-19,659
Purchase of Intangible Fixed Assets	0	0	-9,384	-1,757	-1,316	-1,205
Purchase of shares of subsidiaries and associates	0	-1,527	-610	-1,470	-387	-230
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-2,312	-1,574	-3,299	0	-775	-7,037
Interest and Dividends Received	1,432	1,757	1,654	1,935	2,653	2,087
Others	11,157	296	413	-276	287	-4,756
Net Cash Provided by (Used in) Investing Activities	**-11,996**	**-10,258**	**-23,860**	**-18,927**	**-1,886**	**-21,164**
Net Increase/Decrease in Short-Term Borrowings	-2,323	1,018	25,582	-13,907	-21,081	-5,401
Increase in Long-Term Borrowings	28,370	33,853	61,222	32,094	41,249	36,435
Repayments Long-Term Borrowing	-29,112	-46,481	-48,360	-51,646	-57,053	-40,973
Purchase of Treasury Shares	-5	-4	-5,381	-265	-1	14
Dividend Paid	-2,096	-2,097	-2,883	-5,038	-5,037	-5,546
Dividends Paid to Non-Controlling Interests	-1,625	-1,505	-2,159	-2,138	-2,517	-6,770
Interest Paid	-1,509	-1,427	-2,204	-3,457	-4,156	-4,432
Others	-2,512	-557	4,471	11,414	19,244	25,865
Net Cash Provided by (Used in) Financing Activities	**-10,812**	**-17,200**	**30,288**	**-32,943**	**-29,352**	**-808**
Free Cash Flow	**21,365**	**8,991**	**-23,884**	**34,677**	**37,293**	**3,640**

Source: Company Data. Compiled by Strategy Advisors.

Figure 21. Key Indicators

FY	Mar/21	Mar/22	Mar/23	Mar/24	Mar/25	Mar/26	Mar/27 CoE
EPS (¥)	36.4	107.0	121.2	137.9	154.0	146.8	99.2
BPS (¥)	902.6	1,014.7	1,178.1	1,370.9	1,519.2	1,635.3	
DPS (¥)	13.3	18.3	21.7	28.3	36.7	44.7	45
Dividend Payout Ratio	36.4	17.1	17.9	20.6	23.8	30.4	45.4
Closing Price (¥)	875	799	792	991	1,087	1,456	
PER (x)	24.0	7.5	6.4	7.2	7.1	9.9	
PBR (x)	1.0	0.8	0.7	0.7	0.7	0.9	
Number of Shares Issued (‘000)	52,657	52,657	50,579	50,579	50,579	151,737	
Treasury Stock (‘000)	35	36	128	215	210	553	
Number of Shares of Treasury Stock Excluded (‘000)	52,657	52,657	50,579	50,579	50,579	151,736	
Market Capitalization (¥mn)	138,224	126,219	120,124	150,396	164,937	220,928	
Equity Ratio	26.7	29.2	28.0	30.8	33.7	32.9	
Interest-Bearing Debt (¥mn)	259,837	250,604	301,139	284,351	270,912	306,880	
D/E Ratio	1.8	1.6	1.7	1.4	1.2	1.2	
Net D/E Ratio	1.6	1.4	1.5	1.2	1.0	1.0	
EV (¥mn)	394,427	383,366	425,293	438,055	438,126	517,187	
EBITDA (¥mn)	33,376	41,569	46,270	44,427	49,349	51,250	
EBITDA Margin	11.8	9.2	9.2	9.9	8.9	10.1	
ROE	4.2	11.2	11.0	10.8	10.7	9.3	
ROIC	3.0	4.3	4.8	4.2	4.3	4.1	4.3
Number of Employees	13,117	12,352	12,843	12,531	12,454	12,479	

Note: 1) Stock prices and per-share metrics have been retroactively adjusted to account for stock splits

2) Interest-bearing debt does not include lease liabilities, etc.

3) ROIC is defined by the company as "(operating income + interest paid - interest received) x (1 - effective tax rate) ÷ average of working capital and fixed assets at the beginning and end of the fiscal year".

Source: Company Data. Compiled by Strategy Advisors.

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