

**Online Briefing Regarding Business Related to  
the Acquisition of all issued Shares of TRY INC.**

**March 15, 2023  
Sojitz Corporation  
Retail & Consumer Service Division**

● **Explainer**

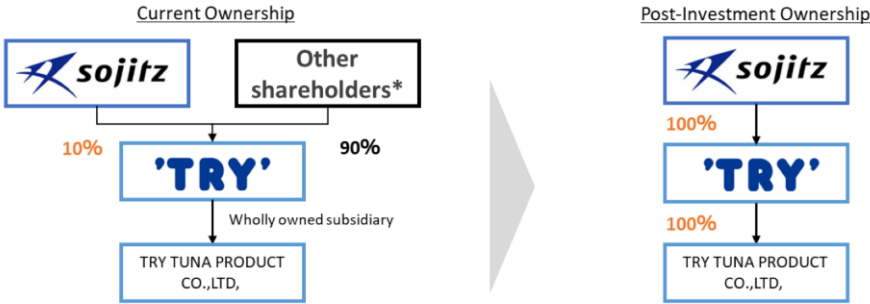
Hiroto Murai, Managing Executive Officer, COO, Retail & Consumer Service  
Division

# Overview of Transaction

## 1. Acquisition of all issued shares of TRY INC.



## 2. Investment scheme



\* 7 current managers, 9 individual shareholders, 2 corporate shareholders



- Sojitz has acquired all of the 1,075 shares issued by Try Sangyo, making it a wholly-owned subsidiary of Sojitz.

# TRY INC.—Corporate and Business Overview

## [Corporate Profile]

Company Name	TRY INC.
Main Offices	Shimizu Head Office and Plant Shizuoka-shi, Shizuoka
	Shimada Plant Shimada-shi, Shizuoka
	Yoshida Plant Yoshida-shi, Shizuoka
Number of Employees	119 (As of July 2022)
Associates	TRY TUNA PRODUCT CO.,LTD, (Equity ownership:100%) - Number of employees : 24
Established	July 1988
Capital	67 million yen
Financial Results (FY2021)	Sales : 40,468 million yen Profit : 841 million yen

## [Plants] (Year of founding)

### Shimizu Plant (1995)

Mainstay factory neighboring head office and possessing procurement and sales functions.

- Refrigeration capacity: 6,486 tons
- Processing capacity: 30 tons per day

### Shimada Plant (2002)

Augmentation of Shimizu Plant's functions in conjunction with business growth.

- Refrigeration capacity: 8,383 tons
- Processing capacity: 25 tons per day



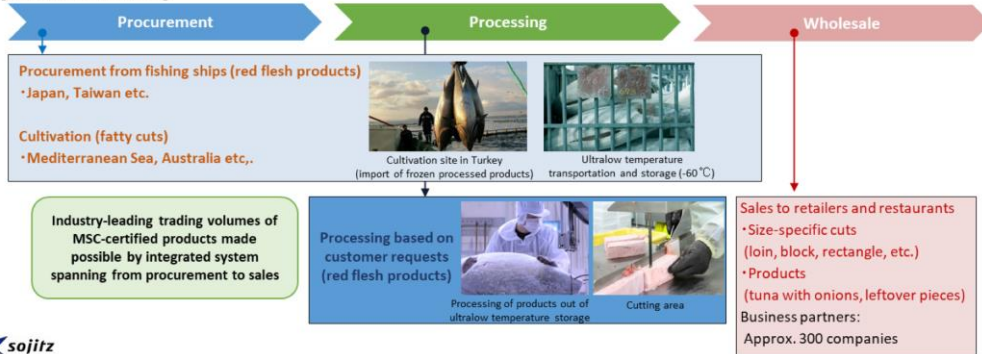
Shimizu Plant

### Yoshida Plant (2020)

Production of tuna with onions, leftover pieces, and other highly processed products.

- Refrigeration capacity: 1,286 tons
- Processing capacity: 6 tons per day

## [Business Activities]

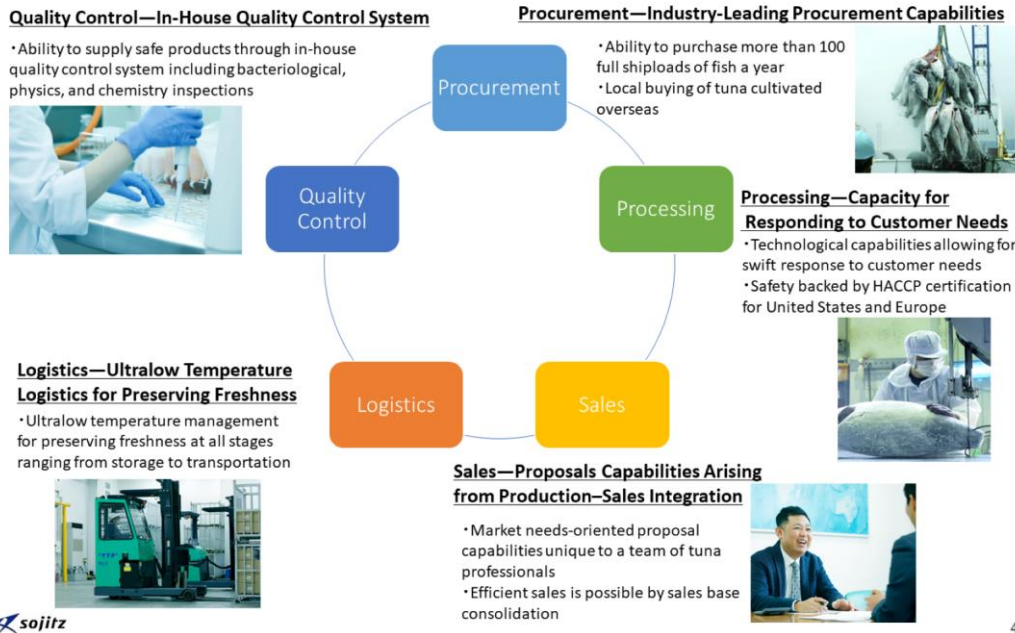


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- Try Sangyo is headquartered in Shizuoka Prefecture and has 119 employees, paid-in capital of JPY67 million, and sales of approximately JPY40 billion. With three plants in Shizuoka Prefecture, the firm's share of the domestic tuna distribution market is approximately 15%, giving it an overwhelmingly advantageous position as the second largest in the industry.
- the firm has reasonable strengths in its business operations, from procurement to processing and through wholesale sales after processing.
- This firm and Sojitz have had a cooperative relationship for many years since it was established, and Sojitz has walked with the growth of this firm as its supplier and distribution partner until recently.
- Sojitz's strategy is to acquire all shares of this firm and incorporate it into our value chain in order to achieve further growth of the firm and to expand Sojitz's marine products business.

# TRY INC.—Market Strengths

Industry-leading procurement capabilities combined with processing capabilities and sales platform needed to develop products matched to market needs



- Quality Control
  - Ability to supply safe products through in-house quality control system including bacteriological, physics, and physicochemical inspections.
- Industry-Leading Procurement Capabilities
  - Ability to procure more than 100 full shiploads of fish a year
  - Local buying of tuna cultivated overseas
- Capacity for Responding to Customer Needs
  - Safety backed by HACCP certification for United States and Europe
- Proposals Capabilities Arising from Production–Sales Integration
  - Market needs-oriented proposal capabilities unique to a team of tuna professionals
  - Efficient sales made possible by sales base consolidation
- Ultralow Temperature Logistics for Preserving Freshness
  - Temperature control is extremely important in the distribution of tuna, from very low to low temperatures.
  - The firm also has a logistics supply chain of ultra-low temperature logistics that reaches all over Japan.

## TRY's Growth Strategy of Pursuing Synergies with Other Sojitz Businesses

Reinforcement of TRY's existing businesses and overseas expansion to be pursued through synergies between TRY's business foundation and the Sojitz Group's marine product asset network

### [Synergies]

#### 1. Expansion of TRY's sales channels through use of Marine Foods' sales channels

Acquisition of new commercial rights by leveraging 45 nationwide sales bases of Group company Marine Foods in rural areas where TRY's market share is low (Kyushu, Tohoku, etc.)

#### 2. Augmentation of procurement capabilities by utilizing Dalian Global Food

Reinforcement of procurement capabilities to acquire ingredients at competitive prices through full shipload purchases by TRY and sourcing from Group company Dalian Global Food

#### 3. Reinforcement of marine product proposal capabilities centered on tuna products

Expansion of TRY's overseas businesses and improvement of value by combining TRY's tuna products with other fish products provided by Marine Foods and by utilizing Sojitz's global network



- First, as announced last year, we acquired The Marine Foods Corporation with sales of approximately JPY90 billion.
- The strength of Marine Foods is its overwhelming sales force with a direct sales network that spans all of Japan. However, while Marine Foods boasts Japan's largest sushi business, the tuna business was an area that needed to be strengthened.
- By making Try Sangyo a wholly-owned subsidiary of the Sojitz Group, we hope to further expand sales by selling high-quality, competitively priced tuna, which is one of Try Sangyo's strengths, through Marine Foods' nationwide network.
- In addition, Sojitz has a tuna procurement and processing plant in Dalian, China, called Dalian Global Food Corporation, which includes purchasing full catches from fishing boats, just like Try Sangyo. Including the use of Dalian Global Food Corporation, we would like to further enhance Try Sangyo's procurement capabilities and aim to expand our business through the sales channels of Marine Foods, which has an overwhelming competitive edge, as I mentioned earlier
- In addition, as the need for processed marine products grows, Marine Foods' overwhelming strength in product development and the procurement capabilities of Try Sangyo and Dalian Global Food Corporation will enable the Company to further expand its business by taking the product to the consumer's table as a so-called processed marine product.
- In addition to these capabilities, in the mid- to long-term, we hope to develop businesses that take advantage of the strengths of the three companies, the Sojitz Group, Marine Foods, and Try Sangyo, to meet the growing demand for processed marine products overseas.

# Global Marine Product Market Trends

## [Global Marine Consumption Market Trends]

### 1. Domestic Marine Product Consumption

Recent reduction in domestic marine product consumption seen due to population decline and lower fish consumption among younger generations, but unwavering popularity of tuna among marine products projected support strong demand as indicated by relatively stable prices in comparison to other fish

### 2. Global Marine Product Consumption

Strong trends in marine product consumption centered on Asia, Oceania, and North America stimulated by population growth, rising health consciousness, and increasing interest in the SDGs; potential for ongoing growth in global marine product consumption hinted at by marine products accounting for approx. 20% of global animal protein consumption

Figure 1: Annual Per Person Marine Food Product Consumption by Country/Region

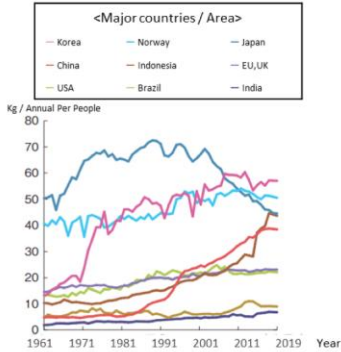
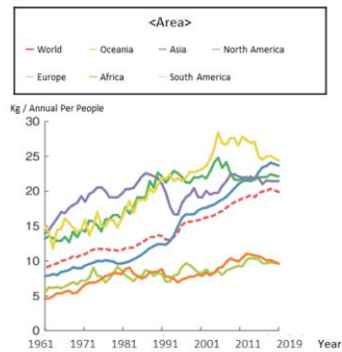


Figure 2: Annual Per Person Marine Food Product Consumption by Region



Reference source : Fisheries Agency Suisan Hakusho (2021)

- Demand for processed marine products in Japan has been on a steady decline due to a declining population, a shift away from fish, and the relative price competitiveness advantage of beef following the reduction of beef import tariffs from overseas.

However, the Japanese per capita demand for marine products is still one of the highest in the world, even though it is declining steadily.

- we will combine the sales network of Marine Foods with the procurement capabilities of Try Sangyo and the product development and marketing capabilities of Marine Foods to deliver competitive products to the end of the line, rather than simply procuring from overseas and wholesaling to intermediate wholesalers in a primary distribution business.

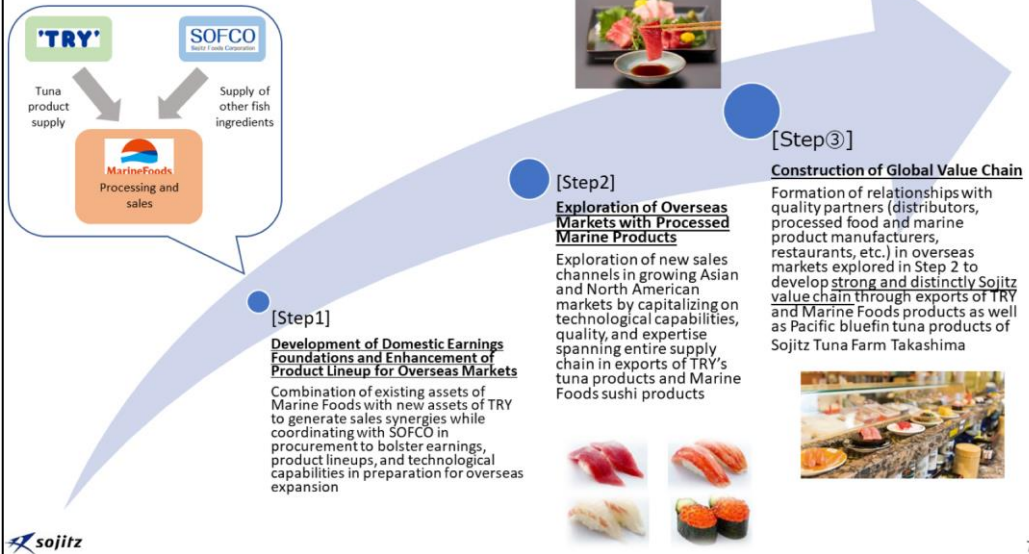
- The need for processed marine products is steadily increasing overseas. Demand is growing overseas from various perspectives, such as health-consciousness, SDGs, and animal welfare. It is clear that demand is growing steadily in Asian countries with rapidly growing economies, as well as in Western countries where health consciousness is strong.

- In the steadily growing marine products business, Sojitz will combine Marine Foods' high competitiveness and product development capabilities, centered overwhelmingly on sushi, with its ability to procure tuna, a product that could become a major commercial item, to market its competitive products in the growing overseas markets of the United States, Europe, and Asia over the medium to long term by utilizing Sojitz's network.

# Sojitz's Overall Marine Product Business Strategy

Incorporation of overseas market growth by capitalizing on marine product quality and processing technologies and development of sustainable global value chain spanning from procurement, cultivation, and processing to sales while building earnings and technology foundations in world-leading marine product market of Japan

## [Areas Targeted by Sojitz's Marine Product Business Strategies]



- We hope to steadily link Sojitz Foods Corporation, SOFCO, which is Sojitz's core group company, with Try Sangyo, in which we invested this time, and Marine Foods, in which we invested last year, to develop a global strategy from points to lines and lines to planes.
- By investing in these companies, the Sojitz Group will have unparalleled upstream to end point sales and processing capabilities, as well as the ultra-low-temperature logistics necessary to achieve these goals, within the Group. By properly coordinating these efforts, we hope to further expand our market and business and secure a solid position in the world's growing market for processed marine products, thereby ensuring profitability.

## Appendix



# Marine Foods—Corporate and Business Overview

## [Corporate Profile]



<b>Company Name</b>	The Marine Foods Corporation
<b>Head Office</b>	Roppongi, Minato-ku, Tokyo
<b>Number of Employees</b>	1,451 (Group total)
<b>Associates</b>	Kushiro Marusui Co., Ltd. (Equity ownership: 100%) , MF Chile SpA (Equity ownership: 100%) MF Vietnam Ltd. (Equity ownership: 92.8%)
<b>Established</b>	October 1964
<b>Capital</b>	1,833.3 million yen
<b>Financial Results</b>	Sales: 83.6 billion yen (FY2021 Non-consolidated Results)

## [Factories and Associates] (Year of founding)

### Mie Factory (1986)

Production of seafood salad, diced salmon, and other major Marine Foods products, strengths found in integrated production management system



Mie Factory

Flavored trout roe (left) and Hokkaido-produced octopus (right)

### Kushiro Marusui (2013)

Purchasing rights allowing for direct purchase of marine products at ports



## [Business Activities]

### Proposal of New Style for Seafood Development of Unique Value Chain that Cannot be Imitated

#### Procurement

Expansion of procurement routes out of consideration for environment and marine resource volumes

1. Shrimp farming businesses in Vietnam and Thailand
2. Procurement of salmon trout from Turkey
3. Procurement network encompassing Chile and Russia
4. Tuna farming business in Ehime Prefecture

#### Production

Processing at directly operated processing factories worldwide capitalizing on unique expertise

1. Sushi product processing at MF Vietnam
2. Marine delicatessen product processing at Mie Factory
3. Foreshore marine product processing at Kushiro Marusui

#### Sales

Nationwide sales network and proposal-based sales accounting for consumer perspective

1. Community-rooted sales activities targeting approx. 4,000 companies from 45 sales bases across Japan
2. Quality control-focused distribution system
3. Sales capabilities allowing for proposal of menus to consumers

# Marine Foods' Procurement and Production Network

Network for procuring ingredients and products from more than 20 countries and for reliably supplying safe and secure products produced at two directly operated factories in Japan and two overseas, one farm in Japan and two overseas, and approximately 30 OEM factories in Japan and around 50 overseas



# Sojitz Foods Corporation —Corporate and Business Overview

## [Corporate Profile]

**SOFCO**  
Sojitz Foods Corporation

<b>Company Name</b>	Sojitz Foods Corporation
<b>Head Office</b>	Roppongi, Minato-ku, Tokyo
<b>Number of Employees</b>	295
<b>Associates</b>	SOFCO Seafoods Inc. (Equity ownership: 100%) , Meat One Corporation (Equity ownership: 100%) , etc.
<b>Established</b>	January 1983
<b>Capital</b>	412 million yen
<b>Financial Results</b>	Sales: 118.4 billion yen (FY2021 Consolidated Results)

## [Associates]

### SOFCO Seafoods Inc.

Integrated production system encompassing everything from ingredients to finished products primarily used to manufacture salmon flake products



Head office of Sojitz Foods

### Meat One Corporation

Supply of safe and secure products to consumers through coordination with companies involved in meat procurement, sales, processing, and distribution



## [Business Activities] —Creation of Value Matched to Customer Needs through Wide-Ranging Operations



### Livestock

Operations spanning from livestock and grass import to meat product processing

### Agriculture

Import and development of agricultural and processed fruit products

### Basic Ingredients

Sugar, wheat flour, dairy products, etc.

### Food Products

Leading domestic share for import shellfish





***New way, New value***

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