



News Release

August 22, 2022

For Immediate Release

Nichirei Foods Inc.

Niagro Nichirei do Brasil Agricola Ltda Introduces New “Acerola Powder” Production Line —Providing Markets with Fully Traceable Raw Materials—

Nichirei Foods Inc. (head office: Tokyo, Japan; Representative Director, President: Masahiko Takenaga) subsidiary in Brazil, Niagro Nichirei do Brasil Agricola Ltda (Head Office: Brazil; hereinafter “Niagro”), which is engaged in the acerola business, will invest ¥900 million to introduce a new powder production line. Using sustainable and traceable ingredients, in addition to traditional acerola juice, Niagro will produce acerola powder as a new pillar of business, aiming for sales volume (fruit basis) of over 135% in 2023 compared with 2021.

* Clean label is a new trend in food established primarily in the United States and Europe that refers to food prepared using simple ingredients with easy-to-understand labelling. This concept is represented by terms such as additive-free, natural, organic, and non-GMO.



New Niagro Plant



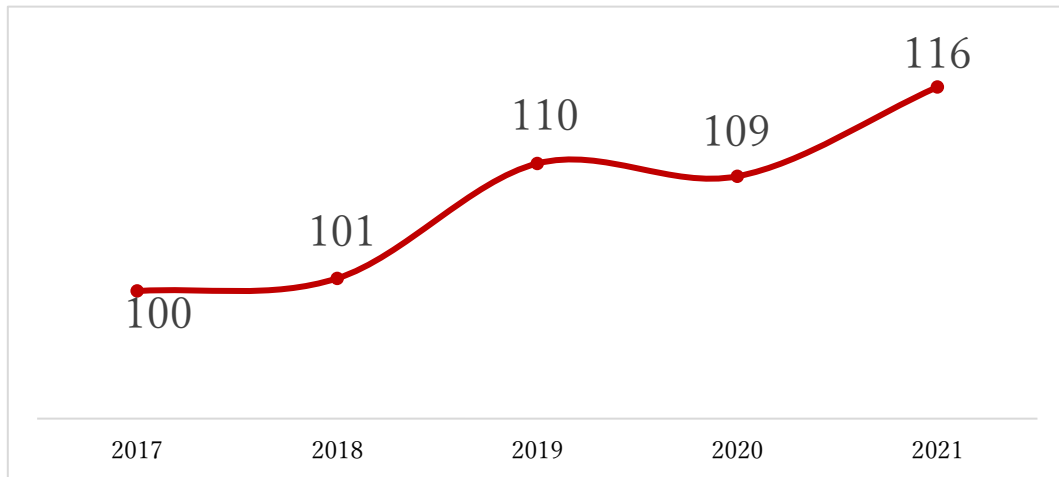
Acerola powder

■ Clean Label Ingredient Market Growth and Rising Demand for Acerola Powder

The number of new products launched in 2021 using clean labels increased 116% compared with 2017 due to a growing awareness of food safety and security among consumers. Going forward, this trend is expected to continue amid the stable growth of the clean label ingredient market.

Increases in New Products Using Clean Labels Launched in the Global Market

(%)

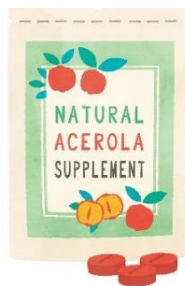


Source: Created based upon data from Innova Market Insights, index for each year with 2017 set at 100 (base year).

In response to this trend, there are rising needs for acerola powder, which contains a large amount of natural vitamin C, for uses such as maintaining food quality.

Mainly grown in Brazil, Vietnam, and other tropical countries where the sunlight is intense, acerola produces a large amount of natural vitamin C, approximately 50 times more than is found in orange juice. However, another property of acerola is that the amount of natural vitamin C decreases as the fruit ripens and turns red, thus it is harvested early when it contains a larger amount of natural vitamin C and processed into acerola powder. At present, acerola is the only food rich in natural vitamin C that can be produced on an industrial scale. Acerola is widely utilized as a clean label ingredient in Europe and North America, where it is sold as a supplement as well as an ingredient used in bread making and processed meat products.

Examples of acerola powder usage



Natural vitamin supplement



Color preservation
(ham, bacon, and sausage applications)



Product improvement
(bakery applications)

In fact, the amount of juice shipped from early harvested fruit used as clean label ingredients reached a record high at Niagro in 2021, increasing over 150% compared to the previous year. Demand for acerola powder is expected to continue growing as the market for clean ingredients expands.

■ About the Niagro Acerola Powder Business

As mentioned above, to meet the growing demand for acerola powder as a clean label ingredient, Niagro will establish new production lines and commence production of acerola powder.

Since Niagro handles only acerola ingredients purchased entirely from co-growers, it is possible to ensure traceability through the full trace of all powder ingredients.

Currently, more than 40% of consumers are aware of sustainability,* thus the demand for advanced traceability required for clean label ingredients is expected to grow even higher in the future.

In responding to strong expectations and vigorous demand for clean label ingredients ensuring traceability, Niagro will cultivate acerola powder as a new pillar of business in addition to acerola juice, targeting sales volume (fruit basis) of over 135% in 2023 compared with 2021.

*Source: Innova Nutrition & Health Survey 2020 (average of UK, US, Spain, France, Brazil, India, Germany, Mexico, China, and Indonesia)

Main Features of Acerola Powder Produced by Niagro

1. Superior ingredient

(1) Standardized vitamin C content

Using advanced control technologies, Niagro can stably supply the vitamin C content in the powder required by customers.

(2) Ingredient transparency

All Niagro acerola raw materials are purchased from co-growers, enabling full tracing and highly transparent ingredients.

2. Superior quality

Based on the Nichirei Group's long history of developing and producing acerola powder, we have realized a smooth, easy-to-use product with no blocking even after being stored.

3. Environmental considerations

The integration of production in one area without relying on transportation at any stage, from cultivation to concentration and powder processing, contributes to reducing environmental burdens involving freezing, transportation, and thawing.

4. Sustainability response

In the questionnaire conducted by Ecovadis, a global authority on sustainability supply chain assessment, Niagro received a Gold rating for the second year in a row, a high sustainability rating equivalent to ranking among the top 5% of all companies evaluated.

URL : https://www.nichireifoods.co.jp/news/2022/info_id14062/



■ New Niagro Plant Details

1. Location

Avenida Luis de Souza, 721, Lotes 14 a 17, Quadra H, Distrito Industrial, Petrolina/PE- CEP: 56308-420,
BRAZIL

2. Building area (total floor area)

Factory building approximately 2,810m²

3. Invested amount

Approximately ¥900 million

4. Powder production capacity

Approximately 560 tonnes per year

5. Employees

Approximately 24 people (as of February 2023)

6. Commencement of operations

February 2023 (plan)

7. Manufactured product line

Acerola Powder

Inquiry

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