

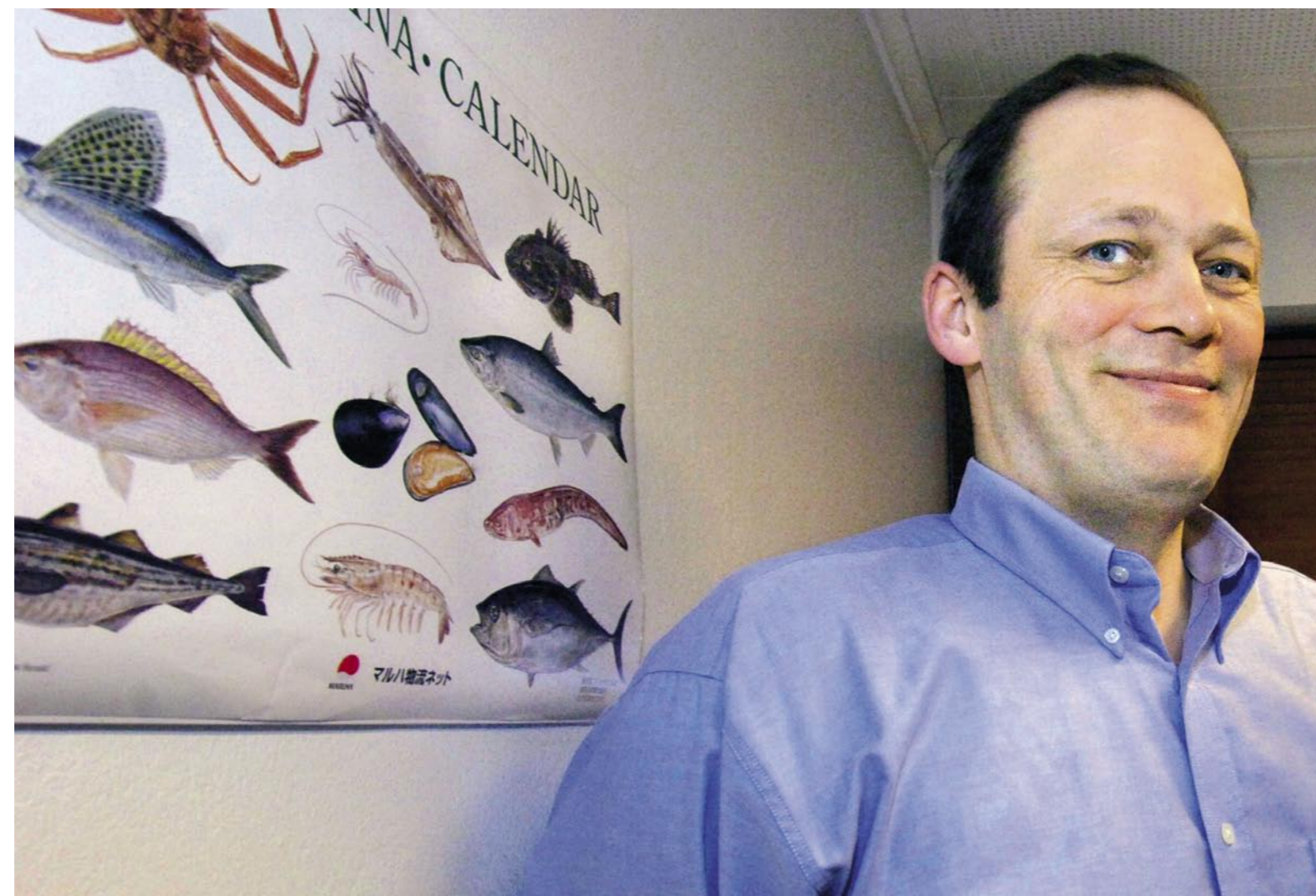
A GLOBAL GIANT WITH EUROPEAN HQ IN FAROE

For one of the world's leading suppliers of frozen seafood—Japan's Shin Nihon Global (SNG)—placing its European headquarters in the Faroe Islands makes perfect sense as this is a generally central location halfway between Asia and America, right in the middle of rich fisheries.

IMAGINE ALMOST ANY species of saltwater or freshwater fish or sea creature, and rest assured that Shin Nihon Global (SNG) has got it for you, in the supermarket freezer, either in Europe, Asia or America. One of the largest international suppliers of frozen and value added seafood, SNG every year ships in excess of 40,000 metric tons of salmonoids, pelagic species, groundfish and more—not to mention just about 300,000 tons of shellfish and crustaceans—to markets around the world.

SNG last year became part of the Japanese food giant Katokichi Corporation, managing and owning 14 processing plants with 13,000 people employed in direct production, in China, Indonesia and Japan.

According to SNG Europe's managing director, Carl á Lag, the plants are EU approved, HACCP (Hazard Analysis and Critical Control Point) certified,



SNG Europe managing director Carl á Lag.

ISO 9001:2000 quality system certified and last but not least, inspected by the Japan Frozen Food Association.

"I wouldn't think the West is necessarily always number one in seafood processing," Mr á Lag noted. "For anyone who doubts, I can recommend a visit to our plants in Japan, China and Indonesia."

As a case in point, Mr á Lag presented a slide show of SNG's processing

Precooked saury is one of many SNG's finished products, produced in China. Pacific saury, also known by the name of mackerel pike, is very popular in East Asian cuisines.

facility in Dalian, China, a plant established in 1998 for the processing of various frozen seafood products mainly for the European and US markets. With 860 workers at three processing lines in a 5,200-square meter hall, and with a cold storage capacity of 15,000 tons, the plant produces some 10,000 tons of finished products every year. The processing equipment used includes an air blast quick freezer, a tunnel freezer, plate freezer, center-cut filleting machine, band saws, shallow skinner, deep skinner, steamer, gas grilling, multivac vacuum packing machines, skin packing

machines, bag sealers, shrink machine, automatic weight checkers, metal detector, blue light rooms, automatic washing machine, gas oven, electric oven, high pressure sterilizer, fryer, drying room, and pasteurizing tanks.

BIG IN WILD SALMON: Said Mr á Lag: "The Faroes is located in the heart of the European raw material center. However, SNG Europe is part of an organization that works globally, serving clients in virtually every corner of the world. While we focus first and foremost on serving European clients, we source fish

from everywhere, be it the Faroes in the North Atlantic, Chile in the south, the Asia-Pacific region, or elsewhere."

The business advantages offered by the SNG's international sourcing and processing network make SNG Europe a powerful player in the seafood industry. Nonetheless, the combination of time scale, geographical distance and commercial value in every shipment make logistics management critical, and careful planning crucial for business success.

"Trade issues can play a tricky part at times," Mr á Lag said, "such as the 2002 dispute between the EU and China, a major disruption..."

Although the Faroes may be a good place from which to run a global operation, proximity to prominent clients can be essential. Accordingly, SNG Europe has decided to move some business functions to France, to work more closely with key clients there.

The SNG product lines for the European markets consist of natural portions and fillets, shellfish and crustaceans, value added seafood, and grilled and precooked seafood.

Last year, SNG Europe sold 9,000 tons of finished seafood products to its clients, largely Japanese salmon and scallops ordered by European retail chains. Still a niche in Europe, wild salmon caught in the North Pacific is an annual trade that amounts to a total weight of 800,000 tons.

"In fact we're Europe's largest supplier of wild salmon," Mr á Lag said. "But

SNG Europe's value added product category includes susbi (pictured), tempura, breaded seafood, fingerfood and smoked salmon.

SNG (EUROPE) — SHIN NIHON GLOBAL

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One of the largest international suppliers of frozen and value added seafood, Shin Nihon Global is headquartered in Japan with offices in USA, Canada, Thailand, China, Faroes and France. Part of the Katokichi Corporation, Japan.

Main product categories for Europe:

Natural portions and fillets

Shellfish and crustaceans

Value added seafood

Grilled and precooked seafood

we're looking forward to see other parts of the business grow, such as tempura and sushi products, which we are actually about to introduce in the EU now."

Headquartered in the Faroes since 1998, with sales offices in France since 2002, SNG Europe's major markets are still France-Benelux and Germany with the UK and Scandinavia coming up as important growth markets.

The company's net sales totaled DKK 365M (EUR 49M / GBP 34M / USD 59M); in comparison the SNG's total net sales were JPY 35BN (EUR 247M / GBP 170M / USD 295M) whereas the Katokichi Corporation's total net sales amounted to JPY 300BN (EUR 2.1BN / GBP 1.5BN / USD 2.5BN).

