

FY2025 Q4 Financial Results Conference Call (Analyst Meeting) Q&A Session

Date and time: Tuesday, May 12, 2026, 17:00-18:13

Format: Web Conference

Presenters: Kazunori Shimamoto, Representative Director, President, Chief Executive Officer  
Kenji Suzuki, Director, Senior Executive Officer, Chief Financial Officer  
Satoshi Ichikawa, General Manager, Investor Relations

**[Management policy of the new president]**

**Q. What are the strengths and weakness of the Nichirei Group from the viewpoint of President Shimamoto? Please also tell us about management improvement measures only President Shimamoto can take.**

A. Our strengths include the fact that the Group has two axes in the food infrastructure, that is, the Foods Business and the Temperature-controlled Logistics Business, which have a large share in Japan, and that the Group also has an integrated food value chain from the procurement of raw materials to production and selling, and a platform of temperature-controlled logistics to support it. I believe that expanding these strengths overseas is a field where I can leverage my experience in overseas business.

On the other hand, I think our weakness lies in "opportunities wasted" by the Foods Business and the Temperature-controlled Logistics Business, which demonstrate their respective strengths through independent management and compete in their respective field. To solve this problem, I have identified the five key management issues. We would like to discuss them internally to increase the speed of our growth.

**Q. I understand that a weakness is the insufficient creation of synergies between the Foods Business and the Temperature-controlled Logistics Business. What specific method will you take to eliminate that weakness?**

A. Synergies between the Foods Business and the Temperature-controlled Logistics Business have already been realized in Japan. However, the creation of further synergies requires discussion, and this is one of the five key management issues. For example, it is necessary to discuss what can be done in the Temperature-controlled Logistics Business as a result of the integration of the Foods Business, and how synergies between foods and temperature-controlled logistics in Japan can be transferred overseas.

In addition, we can differentiate ourselves by proposing services that integrate foods and

temperature-controlled logistics, rather than competing within the industries of foods and temperature-controlled logistics separately. We believe, therefore, that synergies will be realized by combining them more directly.

**Q. The five key management issues are very important themes, but I felt that they were also discussed when the long-term management goal, N-FIT 2035, was set. Why do you feel it is necessary to refine these issues again now? Also, to achieve the key issues, I thought it would be necessary to complete work without fearing major changes. Please show us President Shimamoto's determination.**

A. Today, we are experiencing changes in the business environment that were not expected when we formulated N-FIT 2035 and the current medium-term business plan Compass×Growth 2027. We recognize that these changes are issues that cannot be dismissed as temporary. We believe that a business model or portfolio that can quickly respond to these changes and increase our corporate value should not be positioned along an extension of current growth and we need to make decisions from a viewpoint or perspective of new management.

In addition, when I assumed the position of President, I declared that I would carry out a three-pronged structural management reform in conjunction with the revision of the Group Management Principles (Note). The three-pronged structural reform includes management reform, business model reform, and organizational cultural reform. Unless these three elements are linked together, I think it will be hard to go up to a higher stage that is not an extension of the past. Conversely, I believe that if we can achieve it, we will be able to strongly drive regrowth.

Note: The Company's release dated February 17, 2026, "The Nichirei Group Revises Its Management Principles: Spreading Happiness through Food into the Future" (<https://www.nichirei.co.jp/news/2026/499.html>) (Japanese only)

#### **[Foods Business]**

**Q. Costs for the fiscal year ending December 31, 2026 will increase by 5.3 billion yen from the fiscal year ended March 31, 2026, and will be factored into the plan for the fiscal year ending December 31, 2026, while increases in cost due to the situation in the Middle East (impact of 6 billion to 7 billion yen for the Nichirei Group as a whole) have not been reflected in the plan. What is your company's outlook for the previous and current fiscal years on measures to cover cost increases with price revisions?**

A. The performance for the fourth quarter of the previous fiscal year was steady. In February 2026, we revised the prices of rice products, and the volume has remained at the expected level. Although the current environment is uncertain, we would not change our policy of passing on cost increases to prices if they cannot be covered by our self-help efforts, and we anticipate that we will be able

to achieve the plan for the fiscal year ending December 31, 2026, except for the situation in the Middle East.

**Q. The reference figures for the fiscal year ending December 31, 2026 (12-month-basis targets for both Japan and overseas) are 40.4 billion yen for the Nichirei Group as a whole and 45.2 billion yen under the plan for the fiscal year ending December 31, 2027, and profit is expected to increase by 4.8 billion yen. Please tell us about the drivers of the profit increase particularly in the Foods Business for FY2027.**

A. Raw material prices, which rose sharply for 2 consecutive years in FY2025 and FY2026, are assumed to moderate slightly, particularly for rice. Therefore, our target is to increase the volume. We also believe that we will see the effects of measures to capture needs that cannot be met with our mainstay products by introducing balanced pricing products.

**Q. You expect raw material and procurement costs of 4.5 billion yen and miscellaneous expenses of 2.2 billion yen for the fiscal year ending December 31, 2026. What is the breakdown of these costs?**

A. Rice, whose price has already been revised, accounts for more than half of 4.5 billion yen. In addition, the costs of various raw materials such as chicken, eggs, and packaging materials are piling up. Among miscellaneous expenses, logistics costs, personnel costs, and other costs are expected to increase.

**Q. The volume of household-use frozen foods under the plan for the fiscal year ending December 31, 2026 will decrease 3% year on year. Is the volume decrease related to the strengthening of management of sales promotion expenses in the domestic strategy?**

A. They are not directly related. Sales promotion expenses are under the strengthened control led by the head office, and their proper use will lead to increase in the volume. The 3% decrease in the volume of household-use frozen foods reflects a decrease in the volume of rice products for which the price was revised. It usually takes 3 or 4 months for the volume of rice products to recover from a decline due to a price revision, and we have a conservative view on the volume in light of market trends for the current fiscal year. In the current fiscal year, we intend to accelerate the speed of recovery by strengthening sales activities.

**Q. While the volume of commercial-use products in the fourth quarter of the previous fiscal year alone increased 20%, the plan for the current fiscal year is +3%, which is a smaller increase. What is the reason?**

A. In the previous fiscal year, the growth rate was high not only in the fourth quarter but also for the

full year due to the introduction of new processed chicken products for major mass retailers. The figure for the current fiscal year reflects a rebound from the previous fiscal year.

**[Temperature-controlled Logistics Business]**

**Q. Please tell us about the reason why operating profit overseas for the fiscal year ending December 31, 2026, will significantly increase by 58% year on year. In addition, what are the reasons for the steady growth in overseas business to date, and is there further room for expansion from a medium- to long-term perspective?**

A. There are four reasons for high growth in operating profit overseas. The first is the new warehouse that we built in Poland in the previous fiscal year. This has recovered from the situation in which we had a hard time launching it. This accounts for a large portion of the factor of the profit increase. The second is the new warehouse that we built in Thailand in the previous fiscal year. Although it took some time to start operations due to the approval procedure, earnings will be fully realized in the current fiscal year. The third is the incorporation of business that became our consolidated subsidiary in Malaysia, and the fourth is the incorporation of new M&A in Indonesia.

One reason for our strong overseas business development is that we have successfully transferred the logistics functions and solutions we have cultivated in Japan to local markets. Another reason is that we link services as a network. We have a know-how to connect functions we need from point to point to make a plane, rather than using a single warehouse or vehicle separately, and we have already deployed this know-how in Europe. We are now at the stage of building it in ASEAN. We are confident that this business model is an advanced service that will be accepted in both growing and mature markets.

**Q. While construction material costs are soaring in Japan, it is also necessary to invest to address the aging of existing facilities. I feel that the business model of the current fee structure and fees is not working properly in the current market environment. Please tell us about risks and opportunities of the Temperature-controlled Logistics Business in such a market environment.**

A. As you said, land prices and construction costs are rising mainly in metropolitan areas, and I think this situation is irreversible. Therefore, I believe that we need to reconsider our capital investment policies and business models in Japan.

Mainly in metropolitan areas, we will continue to invest in key bases connecting major trunk lines where demand will remain strong, while monitoring recovered returns. On the other hand, when it comes to addressing aging facilities other than key bases, for example, it is important to use not only our own warehouses but also other companies' assets in a balanced manner depending on the

situation, and it is also necessary to discuss passing on costs at the same time.

**[Impact of the situation in the Middle East]**

**Q. Will the cost increase of 6 billion to 7 billion yen due to the situation in the Middle East end up without being passed on to prices, or can it be completely offset by measures such as price revisions? If price revisions are the measure to absorb the cost increase, is there any room for further price revisions in today's situation where the market is price-sensitive?**

A. The impact of the situation in the Middle East is an environmental change totally different from normal business operations. In the Foods Business, we will, of course, improve productivity and revise specifications as part of our self-help efforts, but we will have to revise prices for portions that cannot be absorbed. The room for price revisions needs to be determined based on developments in the consumer market, and we cannot conclude at this stage. However, we have not changed our stance of passing on cost increases to prices. If cost increases cannot be covered by price revisions, we intend to introduce products with new value added or balanced pricing products.

In the Temperature-controlled Logistics Business, we have introduced a system to cover increases in fuel and electricity costs through surcharges. However, since there will be a delay of up to about three months in passing on costs due to the structure of surcharges, the effect in the current fiscal year might be recorded in another fiscal year.

End

Note: This document is not a complete record of the Q&A session and has been edited by Nichirei Corporation.