Nichirei Corporation

FY2026 Q1 Financial Results Conference Call (Analyst Meeting) Q&A Session

Date and time: Friday, August 7, 2026, 18:30–19:25

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

[Full-year earnings forecast and measures]

Q. Please tell us about the background to this earnings forecast revision and the "execution risk" mentioned on page 12.

A. In the domestic foods business, there were impacts from a decline in sales volume in some categories, an increase in expenses, and temporary production stoppages associated with the addition of production lines for processed chicken products for commercial use. However, all of these factors were generally within the expected range. On the other hand, in addition to changes in the situation in the Middle East, unexpected factors arose in the overseas business, including a decline in by-product market conditions in the Thai business, the impact of exchange rate fluctuations, and changes in the export environment to China.

In response to these changes in the environment, we will seek to achieve a recovery through measures such as price revisions and strengthening promotional activities. However, as the accounting period for this fiscal year is irregular, the period available to capture the effects of these measures is limited. In addition, uncertainty remains in the current consumption environment. Therefore, we revised our operating profit forecast downward, factoring in as an “execution risk” the possibility that the measures may not lead to results as expected.

Q. Do we need to be concerned about changes in the competitive environment or a decline in competitive advantage regarding sales volume in the domestic foods business?

A. At present, volume growth has temporarily stalled against the backdrop of consumers' increasing desire to save money, but we do not believe that competitiveness itself is declining. We will continue to propose products that meet consumer needs in terms of price range, capacity, and other factors, and develop a detailed pricing strategy. In addition, we plan to introduce approximately 90 new and renewed products this fall. In particular, we will continue to strengthen our market leadership by implementing aggressive promotional measures for meal solutions that combine our market-leading products, including *Honkaku-Itame Cha-Han* (frozen fried rice) and *Toku-kara* (frozen fried chicken).

Q. Please tell us about your efforts to restore business performance in Thailand.

A. In the Thai business, earnings were affected by factors such as a decline in by-product market conditions and exchange rate fluctuations (weaker dollar against baht) in the export business. For the former, we are implementing measures to improve profitability. Specifically, we are working to increase added value by developing pet food ingredients and processed food ingredients using by-products, as well as establishing sales channels with higher profit margins. In addition, the foreign exchange environment is also improving, and we expect the factors behind the decline in earnings to gradually diminish.

[Final Year of the Medium-term Business Plan]

Q. What are your thoughts on achieving the targets for the final year of the Medium-term Business Plan?

A. At present, we do not plan to change the targets for the final year of the Medium-term Business Plan. We will steadily implement each measure to achieve them. In the foods business, we will work to restore sustainable earnings growth through a reduction in raw material costs, including rice, the penetration of price revisions, strengthening sales of core products, and the launch of new products. In the temperature-controlled logistics business, the domestic business has been performing steadily. Although the overseas business is currently facing challenges in some regions, we will accelerate growth by expanding collection and broadening our service offerings, aiming to achieve the targets of the Medium-term Business Plan.

[System failure]

Q. Has this system failure resulted in any reputational risk with the customers, and is there any medium- to long-term impact?

A. Management takes this system failure very seriously. At the same time, as a company that supports food infrastructure, we have given top priority to resuming service to customers. Although we caused significant inconvenience to our customers for approximately 10 days, the Company provides high-quality logistics services and integrated logistics services covering transportation, delivery, and distribution processing. We contribute to our customers' business operations by providing such value. In the future, we will work to restore and enhance our customers' trust by taking measures to prevent recurrence and strengthening security measures.

[Five management issues]

Q. In discussing the five key issues, you explained that the concept of selection and concentration is necessary. Could you give us some insight into what specific issues you recognize?

A. We are currently holding discussions on our strategies and the details of our business portfolio, using each of the four quadrants shown on page 16 as a basis, and we would like to disclose them after the announcement of our second-quarter financial results. Going forward, we would like to further develop this plan while hearing from capital market participants.

End

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