Nichirei Corporation

# FY2026 Q2 Financial Results Conference Call (Analyst Meeting) Q&A Session

Date and time: Tuesday, November 10, 2026, 17:00-18:00

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

**[Domestic foods business]**

**Q. Please tell us about sales volumes and trends by category after the price revisions.**

A. Consumers continue to be firmly budget conscious, and it is difficult to maintain sales volumes by simply passing costs on prices. By category, sales volumes of rice products, which have strong brand power, remained in line with the plan even after the price revisions, while those of processed agricultural products and processed chicken products weakened. In response, we have been implementing TV commercials and other promotional activities, changing standards to balance value and reasonable prices, and pursuing product strategies by price range. We are seeing the effect of sales promotional initiatives on the performance of *Imagawa-yaki* (Japanese waffles), which had been an issue, and we will expand our initiatives also to other categories with issues.

**Q. How do you see the impact of the consumption tax cut on your business, if implemented, and the consumption environment going forward?**

A. Generally speaking, we view that a consumption tax cut could boost demand for household-use products through an improvement in consumer sentiment. On the other hand, we do not anticipate a large shift to products for household use, because eating out offers experience values and tastes that are difficult to be replaced with household-use products. The Company will capitalize on the rise in the volume of household-use products. At the same time, we will maintain the existing demand for products in the food service market, as well as develop products to meet expected growth in take-out demand. In addition, since there may be a temporary restraint on purchases before the tax cut, we will closely monitor market developments.

**[Business portfolio]**

**Q. What is the current status of your review regarding withdrawing from product categories with low growth and profitability?**

A. We will focus management resources on areas where the Company's strengths and brand power can be fully utilized, and will aim to rebuild a leaner business foundation by taking into account future growth potential and the business environment and also considering the option of withdrawing from some product categories. At present, we are discussing the specific targets, scale, and timing of implementation, and will explain our decision at the full-year financial results announcement.

**[Capital efficiency and capital allocation]**

**Q. Please describe the background to your decision to sell 30 billion yen or more in non-core assets, the use of proceeds from the sale, and your plans for additional sales and shareholder returns.**

A. In addition to strong demand for funds for M&As in ASEAN, construction of a plant in the U.S., and establishment of new and expanded refrigerated warehouses in Europe, long-term borrowing costs are rising as domestic interest rates rise. In this environment, we intend to increase capital efficiency by combining not only financing through borrowings but also capital generation through asset sales, and steadily implement growth investments to improve ROIC.

We are selecting targets from non-core assets, excluding logistics facilities, food factories, research and development facilities, and assets used as offices by the Nichirei Group (the "Group"), by comprehensively taking into account factors such as contract terms, location, and ease of sale. The proceeds from the sale will be allocated to growth investments. In terms of shareholder returns mainly through repurchase of treasury shares, there is no change to our policy of flexibly implementing shareholder returns while assessing cash demand, year-end debt-to-equity (DE) ratio and stock price, etc. We will continue to review the assets, but have not yet decided on the specific targets for additional sales as of now.

**Q. What is the progress in examining the monetization of business assets such as temperature-controlled logistics facilities?**

A. At this time, we have not decided on any policy regarding business assets other than non-core assets. Meanwhile, we are also discussing the monetization of business assets as an option for financing, and will continue to discuss this in the next fiscal year and beyond.

**[Temperature-controlled logistics business]**

**Q. What is the reason behind the projected significant improvement in operating profit for the next fiscal year in its overseas operation?**

A. In the first quarter, we revised down our full-year forecast for the overseas operation of the temperature-controlled logistics business by 1.1 billion yen, and the delays in the launch of new warehouses and the start-up of our operating companies in ASEAN after M&As, have pushed down profits for this fiscal year. For this reason, comparison is made from a lower standpoint, causing the range of improvement in the next fiscal year to look significant. We expect to see a positive effect on profit If the operating rates of new warehouses increase and the business performance of companies acquired through M&A improves to the level originally planned. We are implementing measures to achieve this.

**Q: In the domestic temperature-controlled logistics business, do you plan to move toward a pricing structure that takes invested capital and ROIC into account?**

A. In light of rising costs for construction materials, energy and personnel, we are revising fee rates over the three-year period of our Medium-term Business Plan. Going forward, in addition to passing on incurred costs on pricing, the ROIC perspective of ensuring an appropriate return on invested capital will become even more important. We believe that there is room to appropriately reflect the added value generated by the Group's service and network capabilities in our fees, and we will continue to strive to collect appropriate fees while deepening our pricing approach.

**[FY2027 plan / Five management issues]**

**Q. What are the main growth drivers for the next fiscal year's operating profit plan of 45.2 billion yen?**

A. In the foods business, the rise in rice prices is expected to come to a halt, and in the temperature-controlled logistics business, new investments and improved operations at companies acquired through M&A are expected to contribute to profits. On the other hand, we expect that procurement costs for raw materials other than rice and personnel expenses will continue to rise, so we are considering additional measures. At present, we are maintaining the targets set under the Medium-term Business Plan and taking measures to achieve them. We will explain specific plans for the next fiscal year at the full-year financial results announcement.

**Q. What initiatives will you take to maximize TSR over the medium to long term?**

A. We recognize the need to enhance the resolution of the Company's growth narrative in order to appropriately communicate the growth potential of its corporate value to capital markets. We will organize our business portfolio into four quadrants and clarify the capital invested in each area and the returns that can be obtained. At the same time, we will continuously disclose measures for growth 5 and 10 years from now along with their progress and our approach to

capital allocation. We believe that enhancing both business value and dialogue with capital markets will lead to maximizing TSR over the medium to long term. We plan to explain the specific details under the five management issues at the full-year financial results announcement.

End

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