

Key Q&A from FY2026 CEO Small Meeting

Date and time: (Sell-side) Monday, June 8, 2026 15:30-16:30

(Buy-side) Thursday, June 11, 2026 15:30-16:30

Format: On-site meeting at the Company's Higashi-Ginza Building

Presenters: Kazunori Shimamoto, Representative Director, President & Chief Executive Officer

Kenji Suzuki, Director, Senior Executive Officer, Chief Financial Officer

[President Shimamoto's Policy Speech and Opinions]

Q. President Shimamoto, how can your career be utilized for future management? Please also tell us what issues you feel are affecting the entire Group.

A. I have had the experience of launching a number of new businesses in Japan and overseas in the Nichirei Logistics Group and have continued to take on challenges while hedging risks in the face of uncertain prospects. I believe this experience can be put to good use at a time when the Group as a whole must promptly move ahead into new growth areas.

As for the Group's issues, I believe it is necessary to reform the current rhythm of management amid the rapidly changing business environment. As for our Medium-term Business Plan and such like, we will revise the management cycle from this year and review the plan flexibly every year in line with changes in the business environment rather than keeping it fixed for three years so that we can identify and respond to diverging factors. In addition, as the cost environment changes dramatically, we feel a sense of crisis that simply relying on our own assets will slow our growth. We will aim to make the Nichirei Group demonstrate strong growth potential commensurate with capital cost while effectively maintaining capital efficiency and utilizing other companies' capital.

Q. How do you feel about the stock market's evaluation of Nichirei?

A. We feel the stock price is discounted. We believe that one of the reasons is that both Foods and Temperature controlled Logistics businesses, which are in different sectors, are not correctly evaluated. This is partly due to our lack of explanation, and we need to deepen our dialogue with the market and communicate what is required. In addition, we feel Nichirei will not receive positive recognition unless we speed up our efforts toward growth, such as improving the efficiency of domestic assets.

Q. What changes do you expect to see in the domestic frozen food and temperature-controlled logistics market?

A. In view of demographic trends, there is a possibility that growth in the domestic market will stop sooner than expected. It is also possible that industry restructuring will advance due to a sense of crisis that the market size will move on a downward trend. In order to survive in such an environment, we need to consider, for example,

forming an alliance with other companies as an option.

[Synergy between Foods and Temperature-controlled Logistics businesses]

Q. I feel that the synergy between Foods and Temperature-controlled Logistics businesses is not very clear. Please tell us your specific plan.

A. In Japan, with our plants in Foods business in close proximity to our warehouses in Temperature-controlled Logistics business, we estimate that we can reduce logistics costs by approximately 5 billion yen per year, compared with when they are at a typical distance. In addition, in Foods business, we have the advantage of being able to utilize Temperature-controlled Logistics business platform that allows us to receive consignment and deliver all relevant items from raw materials to final processed products throughout the country. Meanwhile, for Temperature-controlled Logistics business, we believe that the ability to pursue service efficiency and cost competitiveness by placing other companies' products on the base cargo of Foods business is an advantage that other companies do not have. Further, although products from food factories had been the center of the base cargo under the situation where optimization of individual companies progressed after the split up under a holding company structure, we believe that synergistic effects can be expanded by extending our logistics services to the “upstream” area, i.e., raw materials. We are also considering expanding this model also to Europe and ASEAN.

Q. The figure 5 billion yen in synergistic effects does not appear to reflect a strong competitive advantage. I feel that when a symbolic product or service that can only be offered by your company is launched, the effects can be easily understood by the market. How will you build your advantage going forward?

A. We have been thinking about how to show synergies, and this is the first time we have come up with a figure. We recognize that we must be able to clearly explain our overwhelming competitive advantage in the future.

Q. What are your plans for synergies between Foods and Temperature-controlled Logistics businesses overseas?

A. In Europe and ASEAN, it is possible for Foods business to utilize the platforms established by Temperature-controlled Logistics business. Another advantage is that we can combine and deploy the brands of both Foods and Temperature-controlled Logistics. Our Foods business can also utilize the local industry information that the Temperature-controlled logistics business holds. We are currently considering several specific projects in both regions, and if we can realize them, we believe that it will be easier to quantify synergies.

Q. Which approach do you think serves as the source of synergy between Foods and Temperature-controlled Logistics businesses: the top-down approach from management or the bottom-up approach from employees?

A. More than 20 years have passed since the split up under a new holding structure in 2005, and we feel that the downside is appearing where each of the two businesses has eyes only on its own business. At the same time, however, some mid-level and senior employees, who are able to see the flow of products and goods from a bird's

eye view, have voiced their interest in "creating synergies," and we have already established a meeting structure for dialogue between the management of both businesses. So far, we have pursued to utilize centrifugal force, but we hope that by applying a unifying force that overlooks the entire Nichirei Group, management and employees, respectively, will come up with ideas for synergies.

[Business portfolio management]

Q. Where do you see the need for bold reforms?

A. In Japan and overseas, including both Foods business and Temperature-controlled Logistics business, we intend to retain business areas that have the strength to earn even if it means investing our assets while conversely curtailing business areas that do not make profit, and invest capital in areas where we can expect strong growth potential. Since all decisions cannot be made at the operating company level, it is necessary for management and the holding company to determine the axis for determining which areas should be addressed and which areas should not be addressed.

[Foods Business]

Q. As you focus on rice products and processed chicken products, you are revising prices. Are you seeing a decline in the competitiveness of Foods business in the turbulent market environment?

A. We will continue to revise our prices in a timely manner to cover the rise in costs, but in recent years, we find that when we revise our prices, they are not immediately accepted by the market, or when our prices do not offer a sense of affordability, the volume of our products falls significantly. In our view, the reason for this is that although the YoY cost increase has conventionally been 1 to 2%, it was a 3 to 4% increase in the previous fiscal year, making it difficult to recover the volume at once. However, from FY2027 onward, the rate of increase in raw material costs, particularly for rice, is expected to moderate. We believe that the Company will be able to compete firmly again through product development capabilities and cost reductions and that our ability to pass on prices and competitiveness will not decline.

On the other hand, we thought that demand for frozen food would grow until around 2040, but looking at recent demographic statistics, we feel a sense of crisis that demand is peaking out earlier. The challenge of creating a growth engine that is second only to rice products and processed chicken products is quite significant, and we believe it is necessary to quickly increase the number of materials and products that can be used to build a portfolio that is not influenced by the environment.

Q. I get the impression that the environment in North America is intensifying mainly due to the oligopoly of retail. What kind of growth story do you envision?

A. In the overseas business, the production and sales model has not been established as well as it is in Japan. We have decided to make a large-scale investment in North America and will launch our own production plant using the know-how we have cultivated in our existing rice products plants. We aim to start operation in 2028, and we

are confident that we will be able to achieve an operating profit/net sales rate of about 10% under the production and sales model by around 2035 after going full operation.

[Temperature-controlled Logistics Business]

Q. What competitive advantages do you see in Temperature-controlled Logistics business?

A. In Japan, our greatest strength lies in our ability to reach every corner of the country with our cold chain with a full menu of services by logistics process covering procurement to sales and by product covering raw materials to processed products. We believe we are the only company that has its own assets and transportation network from north to south. In addition, we have the insights and capability to provide solutions tailored to each stage, from materials in upstream to processed products in downstream, and we believe that our ability to provide a multiplex, stock-based business in a sustainable manner is an advantage that no single warehousing or transportation company has.

It is our distinctive feature also in Europe that we can provide one-stop services with a full menu just as we do in Japan. In the European market, there are many players with a single function such as storage and transportation, and there are almost no players like Nichirei who "connects functions." However, because the profit margin is not satisfying, we are working to promote the value of our services and reflect them in our prices. The ASEAN markets have a very strong demand for refrigerated warehouses and transportation, allowing us to recognize operating profit/net sales rates exceeding 10%. In the ASEAN region, since the Company does not yet have a platform to provide full-menu services, we believe that expanding investment in the region will enable us to create an extremely competitive business model. As needs for cross-border transportation will also increase in the future, we would like to highlight our presence as a pioneer connecting Thailand, Vietnam, Malaysia, and other countries.

Q. President Shimamoto explained that one of the urgent issues he considers is the revaluation of asset values in Japan and the liquidation of such assets. Why did you come up with this policy at this time?

A. Now being in a position to have a bird's-eye view of the entire Group, I have come to feel that enhancing capital efficiency is as important as profit growth. We perceive that there is also the option of switching from holding expensive logistics facilities to leasing and using the funds obtained through liquidation to speed up investment in overseas growth areas. As for new bases, we will keep owning our core bases, where we expect to achieve growth steadily over the long term, and otherwise use other companies' assets to operate our activities. This will be a flexible approach rather than a uniform approach across the country, but we, as a holding company, will determine the overall policy.

Q. As a result of discussing the asset-lighting approach in Temperature-controlled Logistics business, what will be the profit growth of your company? Are there any competitive advantages of renting assets of other companies?

A. Our goal is to accelerate the growth speed of the entire Nichirei Group and increase the profit growth rate. We would like to present specific KPIs at the next financial results briefing (first quarter financial results briefing).

Our current view is that the Nichirei Group needs to envision a growth story centering on ROE of 12% or higher, ROE and PER.

One of the competitive advantages of using the assets of other companies is that construction costs can be reduced with BTS-type (*) warehouses by having the warehouses built utilizing the design and engineering know-how of the temperature-controlled logistics business. In addition, we believe we are the best as a player operating nationwide with the ability to increase the turnover rate of leased assets by consolidating cargo and the ability to propose and provide solutions that provide added value. Furthermore, in rural areas, we can demonstrate our value as an anchor tenant with a logistics platform for frozen foods, making it easier for asset owners to attract tenants other than us.

* Build-to-Suit-type warehouse: A bespoke warehouse facility developed to meet the needs of a specific tenant.

[Intangible assets]

Q. Your company has sufficient employee investment and IT infrastructure in place, but are you promoting measures utilizing AI? Also, are you in a position to properly evaluate employees if they grow to be capable of effectively using AI?

A. We are advancing our DX strategies, including AI, in both Foods business and Temperature-controlled Logistics business in terms of research and practical use, respectively. At worksites where there is a severe labor shortage, we are making changes so that machines and systems can make judgments that have been based on the experience and intuition of craftsmen and experienced workers. We are setting a milestone so that judgments based on mechanization and systematization will become the mainstream in 2030 to 2035. At the same time, human resources for analyzing and managing data, such as data analysts, will also become important. Therefore, we are moving in the direction of enhancing the evaluation system, and I perceive that the shape of human capital will change significantly in 2030 and thereon.

Q. Of the three pillars of structural reform (*), please tell us about the time frame for organizational/cultural reform.

A. Organization/culture is very hard to change. As one of the first measures to be implemented, we set out our new Corporate Philosophy (Mission, Vision, Values) in April 2026, and I believe that we at the management level must work steadily to instill the message of "Let's unite" among employees in various regions. At the same time, I would like to boldly integrate organizations that do not need to be separated into groups. We believe that implementing a unified strategy together with these efforts will enhance effectiveness as we move toward accelerating business growth under a new organization/culture when the next Medium-term Business Plan begins in 2028.

* The policy was announced at the President's inauguration press conference on March 24, 2026. To implement the structural reform under the three pillars of "management reform," "business model reform," and "organizational/cultural reform," Nichirei will deepen the five management issues disclosed in the announcement of financial results on May 12, 2026.

Q. Are there any management functions that you would like to enhance? Please also tell us about your current understanding of human resource development and allocation.

A. Behind the establishment of the CxO system from this fiscal year is precisely our intention to strengthen business management functions. The Company has begun adopting a style of management on two axes. We currently have a "vertical" line based on the regular organizational structure and a "horizontal" line that crosses the organization by function. In terms of organization, we would like to make improvements so that the entire Group makes decisions on overseas investments, etc. from a consistent perspective, instead of making decisions individually by each local company, business headquarters, and holding company. For example, forming an organization for FP&A (Financial Planning & Analysis) is one way to do this.

As for human resources, especially outside Japan, it was only in the last few years that we defined the requirements for human resources for the entire Group, and I feel we were a little late to do so. However, as for potential individuals for CFO, who is positioned at the core of business management, we have been training two or three employees every year since five or six years ago. I feel we have been able to gradually develop such individuals.

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