Minutes of IR DAY on February28, 2023

1st part: Strategy for the Overseas Processed Foods Business 13:10-14:00

Presenter: General Manager of Overseas Business Division   Nobuo Oda

         President and Director of Day-Lee Foods, Inc.   Hideki Fujii

Q1. What are profit levels and outlook at North American Daily Foods, Inc. (Daily)?

In the first half, the business environment was challenging due to rising costs, but the profit margin improved and exceeded 10% as the company revised prices. We will work to maintain this level until the final year of the next medium-term management plan. The improved level of profitability was driven by price hike, increased manufacturing capacity, and SKU savings that we have been working on.

Q2. What are trends and advantages of Daily's competitors?

In the processed chicken and Asian food categories, Asian food companies, including Japanese companies, have expanded into North America. Daily's strengths lie in its mainstream product lineup, quality, and customer relationships. We have established a reputation and are confident in the quality of meat, which is the main raw material. Those factors lead to differentiation from competitors.

Q3. What are challenges for Daily's future earnings growth?

The supply side to the expanding market is a problem. How to expand supply will be a necessary point for future growth.

Q4. How will Thai business be utilized as a production base and a strategy in Asia?

Thai business mainly manufactures commercial products for Japan at present. In the future, it will be necessary to work on internal sales in Thailand and on building a sales network in main countries such as Hong Kong and Singapore in Asia.

Q5. What is outlook for costs and selling prices for the Australian Business for the next fiscal year?

Local index prices in Australia have already declined. Sales prices are expected to remain at the current level, and as a result, profits are expected to be secured. For the next fiscal year, we will recover the decline in profits for the current fiscal year.