Minutes of the Web Conference for the Fourth Quarter of the Fiscal Year Ending March 31, 2025
(Main Q&As)

Date and Time: May 9, 2025 (Friday) 17:30-18:30

Q1. What is the reason for the business profit of ¥42.5 billion for the previous term (planned difference: ¥ -2.5 billion)?
A1. In the second half of the previous term, various factors emerged that significantly hindered the plan, leading to results below expectations. These include inventory selling losses due to a decrease in demand for imported fresh meats, delays in passing on price increases in sales, a decrease in sales volume in the processed foods business, and rising raw material prices for chicken processed products in North America.

Q2. What about the business profit plan of ¥54.0 billion for the current term (year-on-year increase of ¥11.5 billion)?
A2. The business profit for the fiscal year ending March 2017 was the highest on record, but compared to that time, the Australian business is now in profit, and the ballpark business's earnings have also increased. Structural reforms in the processed foods business are progressing, resulting in a change in the profit structure. Given this situation, we believe the likelihood of achieving the target is high.

Q3. What is the progress on the structural reforms?
A3. In the Processed Foods Business Division, we have proceeded as planned with the review of low-profit products, improvement of the product mix through brand enhancement, and the establishment of an optimal production system. These initiatives have led to reduced labor costs and manufacturing expenses, contributing to an increase in business profit. We will continue to promote structural reforms and aim to improve profitability this term as well.

Q4. What about the Processed Foods Business Division's plan of ¥14.0 billion for this fiscal year (year-on-year increase of ¥3.9 billion)?
A4. In Japan, the effects of structural reforms will express this term as well. We expect to secure profit due to increased sales of *Schau Essen* and recovery in deli products. Internationally, we anticipate increased profits from the full operation of the three North American companies acquired in January and the recovery of the Thai manufacturing plant combined with domestic collaboration.

Q5. What about the business profit plan of ¥42.5 billion for the Fresh Meats Business Division (year-on-year increase of ¥8.5 billion)?
A5. We aim to secure profits through the upturn in domestic chicken market prices and as full-scale operation of new pig farming facilities, along with increased volume from the Australian business. By advancing price passes in food sales and strengthening the procurement system for imported fresh meat, we seek to stabilize profits.

Q6. What about the business collaboration with JA Zen-Noh
A6. In domestic fresh meat sales, procurement from JA Zen-Noh's network has grown in both quantity and value, primarily focusing on local products. While we have not yet disclosed anticipated quantitative information, we are continuing discussions regarding logistics, production collaboration, and joint utilization of meat processing facilities.

Q7. What about a share buyback?

A7. In this term, we decided to conduct a share buyback of ¥30 billion, exceeding the previous term, aiming to improve capital efficiency and enhance shareholder returns. Our objective is to increase ROE within an optimal D/E ratio.