

Minutes of the Web Conference for the First Quarter of the Fiscal Year Ending March 31, 2026
(Main Q&A)

Date & Time: August 1, 2025 (Friday), 18:30 – 19:30

Q1. What is the business profit plan for the full year ending March 2026?

A1. We expect to achieve the initial plan of ¥54.0 billion in business profit. Internally, this will be driven by the continued realization of effects of structural reforms in the Processed Foods Business Division and the full-scale operation of acquired factories in North America. Additionally, in the Fresh Meats Business Division, contributions are anticipated from the transformation of the business model and the expansion of beef production in Australia. As external factors, the market conditions for domestic chicken and pork, as well as the sales environment for Australian beef, are expected to act as tailwinds.

Q2. What is the plan for the Processed Foods Business Division this fiscal year?

A2. Taking into account the decrease in business profit for the first quarter, the full-year business profit outlook has been revised downward by ¥2.0 billion. In the first quarter, there were temporary cost increases due to expenses related to stabilizing the new system and rising raw material prices for chicken processed products in North America. However, domestically, structural reforms are ongoing, and sales growth and price improvements are progressing for key brands such as *Schau Essen* and chilled pizza. From the second quarter onward, efforts to strengthen sales of *Chuka-Meisai*, which has been recovering slowly, and increasing the operation rate of the North American acquisition factory will secure business profits.

Q3. What is the outlook for the Fresh Meats Business Division this fiscal year?

A3. In addition to internal factors, external environment also contributed, leading to a business profit increase in the first quarter. Accordingly, we revised upward our full-year business profit forecast by ¥2 billion. Currently, we are promoting a transformation of the business model for imported fresh meat and domestic pork to strengthen profitability. While the Sales (Nippon Food Sales Group) and logistics section is securing roughly the same sales volume as the previous year by advancing the pass-through of logistics costs, external factors such as higher-than-expected domestic chicken prices and strategic inventory control of imported fresh meat impacted results, which led to a decline in profit. Overall, in the entire value chain, profit control is proceeding well, and we believe the earning power is being enhanced. External factors such as high market prices for domestic chicken and the favorable external environment and strong sales conditions for Australian beef are significant contributors to the profit growth.

Q4. What is the plan for the Ballpark Business this fiscal year?

A4. In the first quarter, increased attendance and advertising revenue contributed to higher profits, supported by the team's strong performance and various events aimed at attracting visitors. From the second quarter onward, we will continue to strive for further revenue expansion through additional events and initiatives to boost attendance. Steady efforts and sales activities will be sustained through to the opening of the new station in 2028 to enhance profitability.

Q5. What is the outlook for next fiscal year's business profit?

A5. To increase the certainty of achieving the FY2027/3 business profit plan of ¥61.0 billion, we have revised the KPIs within the Medium-Term Management Plan 2026. In the Processed Foods Business Division, we will focus on strengthening profitability by enhancing the operational rate of high contribution manufacturing lines and leveraging the effects of structural reforms. In the Fresh Meats Business Division, efforts will be made to reduce volatility and advance structural reforms. Specifically, we will stabilize profit fluctuations caused by inventory of imported fresh meats by procuring according to market needs rather than evenly across all livestock types. Additionally, we will further strengthen sales capability by implementing route selling strategies based on demographic trends in each region. By flexibly adding and adjusting KPIs to suit the external environment, we aim to realize the business profit target of ¥61.0 billion for the next fiscal year.