

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

Date & Time: November 4, 2025 (Tuesday), 17:30 – 18:30

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

A1. The initial plan of ¥54.0 billion has been revised upward to ¥59.0 billion. The Fresh Meats Business Division contributed to the increase through expansion in Australian beef production, successful sales measures for domestic pork business, and profit growth in the Ballpark business. The domestic chicken market price is expected to remain at a high level. In the Processed Foods Business Division, although temporary IT and DX-related costs have an impact, a recovery in volumes and a reduction in the number of manufacturing lines are anticipated to enable securing business profits for the full year that exceed the previous year.

Q2. What are the targets for the Processed Foods Business Division this fiscal year?

A2. Although the overall recovery trend since the second quarter is evident, the full-year business profit plan has been revised downward from ¥12.0 billion initially estimated in the first quarter to ¥10.5 billion. In domestic operations, the effects of structural reforms continue to support performance. We are strengthening sales of key brands and implementing promotional campaigns such as the Fighters Sale, which have contributed to volume growth and profit stabilization. Overseas, delays in the operation of certain factories acquired through M&A in North America have impacted results. To address this, we are dispatching personnel from Japan to maintain quality standards and increase factory utilization rates, aiming for improvements starting in the 2nd half of the year.

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

A3. Internal improvements in the 1st half and external environmental factors contributed, leading to an upward revision of the 1Q forecast from ¥44.5 billion to ¥49.5 billion. The domestic chicken business continues to benefit from high market prices, securing stable profits. The Australian beef business has benefited from favorable sales conditions, especially for the Chinese market, and exports are also performing steadily. Additionally, strategies such as inventory control have contributed positively to the imported fresh meats business.

Q4. What about ROE, working capital, and dividend policy?

A4. In the upcoming fiscal year, which will be the final year of the mid-term management plan, we are aiming for an ROE of 7-8%. We believe that, in addition to securing profits, strengthening leverage is also very important. The forecast for ROE this fiscal year is 6.6%, but we aim to achieve 8% at an early stage. Operating cash flow increased by approximately ¥20.0 billion in the 1st half. The results of inventory optimization in the imported fresh meats business are showing positive outcomes, and cash generation is expected to continue. Our dividend policy is based on a DOE of 3.0% and a payout ratio of around 40%. Cash allocation will be reviewed in preparation for the 3rd quarter financial results.

Q5. What about the visualization of internal improvements, external environment, and earning capacity?

A5. The VBM (Value Based Management) Promotion Office has been working in coordination with the business divisions to visualize earning capacity, leading to disclosures that break down changes in business profit into internal improvements and external environmental factors. This indicator is already being utilized for monthly management analysis within the company. Moving forward, we will also expand analysis of overseas businesses and aim for further evolution, including enhanced disclosures.

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

A6. We believe that the business profit plan of ¥61 billion for the next fiscal year can be achieved. The Fresh Meats Business Division does not expect the significant business profit upside seen this fiscal year, but anticipates maintaining high market prices in the domestic chicken business, continuing favorable sales conditions and internal improvements in the Australian business. The imported fresh meats business, which reduced inventory and decreased quantities this fiscal year, is expected to return to normal procurement conditions and to generate increased profit next year. The Processed Foods Business Division also expects contribution to profits from the effects of domestic structural reforms, a recovery in volumes, increased utilization of the North American processed foods plant, and expansion of operations in ASEAN.