

Minutes of IR DAY on January 14, 2022

1st part: Activities in Processed Foods Business Division 13:10-14:00

Presenter: Representative Director and Executive Vice President

General Manager of Processed Foods Business Division Nobuhisa Ikawa

○Q&A○

Q1. What is the progress of the price revision release announced on December 1?

We expect to cover the roughly ¥6.0 billion increase in raw material prices by simply hiking prices, changing specification, reducing costs, and improving activities at a level that exceeds the impact of the sharp rise in prices.

Q2. What are industry's responses to the recent surge in raw material prices?

The price revisions are in line with the announcement of the other three major companies in the three weeks following our announcement. We recognize that each company is working to secure profits amid a severe situation.

Q3. Can profit levels be expected to improve from the next fiscal year onward?

Currently, business profits in the Processed Foods Business Division in this fiscal year are moving toward ¥15 billion in line with the initial plan. In FY3/2023, we aim for a business margin of ¥16 billion in a severe external environment. If this can be achieved, the final year of FY3/2024 will see an operating margin target of ¥19 billion.

Q4. What efforts are being made to reduce environmental impact, including the reduction of packaging materials used in *Schau Essen*?

This time, the packaging materials will be reduced by about 30% by halting the drawstring type of *Schau Essen*. In addition, by changing trays to paper for mainstay brands such as pizza, we will reduce plastics by about 30%. We intend to reduce the volume of plastics used by our mainstay brands.

Q5. What is *BIGBOSS** sales promotion? *New manager of our baseball team

In December of last year, we conducted *BIGBOSS* sales promotions ahead of schedule at some mass retailers in Hokkaido. Although it was a test sale, we feel a certain level of hands. In the future, we will implement it with a view to expanding nationwide.