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Summary of Q&A Session

Financial Results Briefing for the 1st Quarter of the Fiscal Year Ending March 2027

Date: Tuesday August 4, 2026

Speaker: Yoshitaka Koseki,

Director, Managing Executive Officer, Chief Financial Officer

(In charge of Corporate Planning Department and Finance Department)

Q. Could you provide an update on the full-year impact of the situation in the Middle East?

The impact we were most concerned about was higher fuel costs in the Marine Resources Business Segment. However, we have been able to manage this impact by optimizing fueling locations and operating schedules. Based on the current situation, we do not expect any significant impact on profitability from the second quarter onward.

In the Processed Foods Business Segment, some suppliers have requested price increases due to higher costs for materials such as packaging. However, at this point, we do not expect these increases to materially affect our business plans.

Q. [Marine Products Trading Unit] Why has it been difficult to fully pass on higher costs to prices in Japan?

Marine product prices have reached very high levels, which has slowed consumer demand. While we continue to procure products with a clear view of downstream demand, both wild-caught and farmed marine products have seasonal production cycles, requiring procurement during peak seasons. As higher inventory levels have significantly increased working capital, from the second quarter onward, we will take firm action to control inventory and stimulate demand, with the aim of improving both profitability and cash flow.

Q. [Marine Products Trading Unit] Do you expect price adjustments to remain challenging under current market conditions in Japan?

When prices rise for certain products, consumers tend to shift toward more affordable alternatives. Our strength is our broad product portfolio covering a wide range of marine products. Consumers will continue to eat marine products, and our ability to flexibly manage our product mix will be key.

Another key strength is our diverse range of sales channels. Going forward, it will be important to accelerate Group synergies by focusing on channels where demand is strong and where price increases can be more readily absorbed.

We will also continue to enhance our products by increasing processing levels and adding value, while ensuring that we continue to meet consumer needs.

Q. Operating income in the first quarter was in line with expectations and above plan. What would results look like excluding corporate transformation expenses? Are there differences in progress by business?

We have included 3.0 billion JPY in corporate transformation expenses for the full fiscal year. Excluding these expenses, operating income performance was also broadly in line with our expectations, as there was no significant expense recognition in the first quarter.

Although the foreign exchange impact on our overseas Processed Foods Business, particularly pet food, was greater than expected, we believe recovery from the second quarter onward is achievable. Our local management teams also remain confident in the recovery outlook.

Q. [Processed Foods Business Unit] What initiatives are being taken to achieve higher sales volume and the benefits from price adjustments in the second half?

We expect the benefits of price adjustments to become visible from the third quarter onward.

Last year, price adjustments contributed to higher sales, but lower sales volume reduced plant utilization and impacted profitability. This year, we will implement appropriate promotional activities in line with the timing of the price adjustments, while carefully managing supply and demand across our plants. Once the benefits of the price adjustments are fully realized, we expect to achieve our full-year plan through our own improvement efforts.

Q. [Foodstuff Distribution Business Unit] Operating income has been declining. What measures will you take to improve profitability?

We will continue to make progress on price adjustments. A key strength of the Foodstuff Distribution Business Unit is its dedicated B2B sales organization. By strengthening collaboration across the Group, we aim to accelerate growth.

For example, we are expanding initiatives in the institutional food service channel by combining this unit’s sales capabilities with meat products from the Agricultural Foods & Meat and Products Unit. These initiatives will take time to contribute to earnings, but they are important steps in strengthening our business foundation. We will accelerate these efforts toward the final year of our Mid-Term Management Plan.

Q. What impact do you expect from U.S. tariffs?

We do not expect a significant impact. Our overseas Processed Foods Business, particularly the pet food business in Thailand, exports more than half of its products to the United States. However, as we focus on premium pet food products with higher selling prices, we have been able to absorb the impact. Demand has also remained stable.

*This document is not a complete transcript of the Q&A session from the briefing. Selected excerpts have been edited and compiled by Umios Corporation.