

**Summary of main questions and answers at the business performance presentation of the
three-month period ended June 30, 2022**

<Date and time> 16:00 - 17:00, August 4, 2022

Q: North American Soy Sauce business

What was behind the high sales growth rate in Q1?

A:· Restaurant market conditions were so favorable that products sales grew, particularly for foodservice use.

- There was some temporary demand for products for foodservice use in association with price revisions.

Q: North American Soy Sauce business

Did the market share drop after the price change?

A:· Consumers seem to have a tendency to choose low-priced items.

- In the past, the market share declined slightly after a price revision, but subsequently rebounded. After the recent price change, the market share did fall slightly. We will carry out positive sales promotion activities to firmly regain market share.

Q: North American Soy Sauce business

What risk is involved in the contracting demand for soy sauce?

A:· The biggest risk arises from recession. Past trends show that an economic slowdown is likely to lead to stagnant demand for dining at restaurants and to difficulties in products for foodservice use. Meanwhile, it prompts a trend towards home meals and creates an opportunity for products for home use.

- We have a good balance in sales between products for foodservice use and those for home use. We will respond flexibly depending on circumstances, aiming to achieve overall growth.

Q: North American and European Soy Sauce Businesses

What was observed in sales by product type in comparison with sales in the previous year?

A:· In both Europe and in North America, products for foodservice use sell better than those for home use. Sales of products for foodservice use grew in both markets.

- Sales of products for home use increased in North America. On the other hand, sales for home use declined in Europe for the current fiscal year, mainly because of massive growth in the previous year. Even so, they were still much higher than before the pandemic.
- Going forward, we will strive to increase sales of products for foodservice use while maintaining

the demand expansion for products for home use under the pandemic.

Q. European Soy Sauce business

Do you have any future plans for price revisions?

A:· In Europe, we are now increasing prices by 4% to 6% starting from May. This was expected to absorb the rising costs of raw materials, etc. However, the rise in costs accelerated as a result of the situation in Russia and Ukraine. Starting this coming December, we will begin raising prices by 8% to 10%.

Q: Wholesale Business

The margin was high in Q1. What is the future outlook?

A:· We foresee that the profit ratio, which soared under the pandemic, will gradually fall provided that market conditions return to the pre-pandemic status and price competition also returns.
· However, we will streamline operations and take other steps to keep it at as high a level as possible and higher than before the pandemic.

Q: Forecast for the costs of raw materials, etc. for the current fiscal year

Why is the amount of increase in Japan larger than it is overseas?

A:· The rise in costs resulting from the increase in market prices of raw materials appears later in Japan than it does overseas.
· For the current fiscal year, the cost rise is sharper in Japan, but in the two-year period including the previous fiscal year, the level in Japan and overseas is the same.
It is not that the cost hike is extreme in Japan in comparison with overseas.
· In addition, there is an impact from the rapid yen depreciation in Japan.

Q: Business in Japan in the second half, the costs of raw materials, etc. are expected to rise and the profit ratio to fall. What measures will you take to increase profitability in the future? Will you revise prices again? What is your future outlook for the profit ratio?

A:· In February, May and October, we carried out or will carry out price revisions. The applicable categories vary depending on the timing.
· We will endeavor to absorb the cost growth by taking a number of steps as a company, including the shift to higher value-added products and cost cutting measures. If they are not sufficient to absorb it, we will consider revising or re-revising prices in view of the market situation.
· We have a negative outlook for the profit ratio for the current fiscal year. For the next fiscal year and the year after, we will institute a range of measures to return it to the level of the previous fiscal year.

Q: What is behind huge capital investments in Japan and overseas for the current fiscal year?

A: In Japan, investment will increase due to the construction of a new plant for soy sauce derivative products such as *tsuyu* and *tare*, as well as to replace equipment.

- Outside Japan, they will increase to boost production capacity at the soy sauce plant and warehouse capacity in the wholesale business.

The ongoing yen depreciation has the effect of increasing the figure in yen through foreign exchange conversion.

- As an additional influence, the application of the IFRS means that reinvestments at the time of renewing releasing contracts for warehouses and offices in Japan and overseas are added to capital investment.

End