Summary of main questions and answers at the business performance presentation for H1 fiscal 2026 ended September 30, 2025

<Date and time> 2:30 p.m.–3:30 p.m., November 7, 2025

Q. Question about your approach to capital efficiency:
Based on the amount of shareholder returns for the medium-term management plan period estimated from the slide on page 9 of the presentation material, ROE for fiscal 2028 will remain in the 12% range.
"Early in the period after FY3/2031, Targeting ROE of 15%," which you presented to us, but that deadline still seems somewhat far off.
Do you have any plans to further enhance shareholder returns and raise the ROE even higher during this medium-term management plan period?

A.
- To improve ROE, our first priority is to lift the numerator of the ROE formula, namely, profit.
To this end, we will continue growing our existing businesses.
While business profit margins will decline slightly in this medium-term management plan, we plan to restore them in the next medium-term management plan.
We are also considering the launch of new businesses, including through M&A.
- In addition to these measures, we will also enhance shareholder returns to achieve the ROE target.

Q. Question about new businesses:
What kind of new businesses are you planning to launch, and how long will it take to launch them?

A.
- We seek to leverage resources outside Kikkoman, in addition to our strength, to create new businesses in our business area of Food and Health.
For example, we believe that companies whose businesses have not yet grown sufficiently in Japan can grow overseas with our global management capabilities.
- We are eager to launch a new business within three years of this medium-term management plan period and, If possible, one more additional businesses within the subsequent three years.
In the future, we aim to grow these businesses to achieve sales of about 100 billion yen.
- We will utilize debt financing in executing M&A and work to improve our balance sheet efficiency.

Q. Question about the Soy Sauce Business in North America:
Could you please present the results for the first half and your outlook for the second half?
How will operational launch of the new plant next year affect your business?
Further, will profit decline in the next fiscal year due to higher fixed costs arising from the operational launch of the new plant?

A.
- Revenue declined in the first quarter due to sluggish sales and shipments to Canada and some industrial users. However, both showed an improving trend, resulting in higher revenue in the second quarter.
- During the second quarter, sales and shipments to Canada improved as the retaliatory tariffs imposed by Canada were eliminated in September. Demand for inventory replenishment from distributors also affected favorably. In addition to the Canadian factor, expansion in sales for industrial-use also contributed to the improvements.
- We project an ongoing revenue increase in the second half.
- The operational launch of the new plant has allowed us to effectively produce multiple products with a small lot size. We expect this will enhance our ability to supply products tailored to diversifying needs in the U.S., leading to further business growth.
- Currently, we are not assuming a profit decline for the next fiscal year, but we intend to offset higher fixed costs with increased revenue.

Q. Question about the North American wholesale business:
What factors contributed to maintaining a high profit margin amid deteriorating business sentiment?
And what future trends do you expect for profit margin?

A.
- Two factors drove our profit margin significantly higher amid the COVID-19 pandemic.
  First, we successfully procured merchandise despite the disrupted supply chain.
  Second, we utilized our IT system to increase management visibility, leading to improved analytical capabilities and heightened awareness of profitability at local subsidiaries, as well as faster management decision-making.
  In particular, the latter serves as a key factor that contributes to still maintain our profit margin higher than that of our competitors.
- Going forward, we will strive to maintain this high profit margin as possible as we can.

Q. Question about the North American wholesale business:
The forecast at the beginning of the fiscal year incorporated a year-on-year increase of 25 billion yen in both sales and procurement costs as the impact of tariffs. What is the expected increase under the revised forecast?

A.
- We estimate it will be around 3% of revenue.
  For the full year, we are assuming 10 billion yen, with approximately 5 billion yen allocated to each of the first and second halves.
- This revised amount reflects not only the impact of tariffs but also factors including our countermeasures in merchandise procurement and other variable costs related to purchases.

Q. Question about the North American and European wholesale businesses:
What is the current market environment?

A.
- In our view, the wholesale business in North America benefits from solid market conditions, while that in Europe faces a somewhat challenging market environment.
- On the profit front, the European wholesale business has been in a tough situation, but it bottomed out in the first quarter and has been recovering from the second quarter.
  Due to its high sales ratio of foodservice-use, the European wholesale business is susceptible to economic conditions. To hedge its risk, we aim to develop the home-use market to reshape its sales composition to be well balanced with the foodservice-use.
- First, we will bring the profit margin of the European wholesale business back to the 3% range, then aim for 4% or higher.

Q. Question about the domestic soy milk business:
What factors contributed to the strong results in the previous and current fiscal years? Can you apply these factors to other businesses?

A.
- We have proactively promoted soy milk's health value since the previous fiscal year, and this has continued to work effectively.
- During the current fiscal year, we are promoting its benefit of easily supplementing insufficient protein at breakfast.
- We reaffirm that the soy milk business has significant room for growth.
- Also in the food product category, we are promoting the health value of our products that allow consumers to easily supplement nutrients often lacking in their diets, especially those found in vegetables and fruits. We are seeing promising signs from this approach.

End