

**Minutes of the Analyst Briefing  
for the Third Quarter of the Fiscal Year Ending March 31, 2018**

Date & Time: February 5, 2018 (Monday) 13:30-14:35

Venue: 605, STATION CONFERENCE TOKYO

Attendees from the Company:

President and Representative Director (President and CEO): *Yoshihide Hata*

Executive Officer and General Manager of Public and Investor Relations Department:

*Masahito Kataoka*

Number of attendees: 88

○ **Q&A**

Q1

What are specific measures to stabilize the Australia operations?

A1

We launched a project team for structural reform in January. We plan to identify problems and improvement measures within this fiscal year. Shipments of high-cost cattle have continued in the third quarter and onward, and we have not been able to cover the costs although sales prices have recovered gradually. From the next fiscal year, we expect that the purchasing environment will stabilize along with the increased production volume overall in Australia; however, we must pay close attention to trends as sales prices are also affected by U.S. beef.

Meanwhile, Uruguayan beef is highly competitive in the global market. If we transfer our production technology that has been cultivated over the years in Australia to Breeders & Packers Uruguay S.A. (“BPU”), it will further boost productivity and profitability, which will help mitigate volatility in Australia.

Q2

What are the current situation and future prospects for the Americas operations?

A2

Trade operations, which are centered on pork exports to Japan, have struggled. It is difficult to determine future trends at the moment, and it will take time to improve the situation.

Q3

Are there any changes in strategy or tactics to improve profitability in the processed foods business?

A3

We need to review our multi-layered organization in order to advance the business quickly. We will build a mechanism that allows sales personnel, who work closely with consumers to find their latent needs, to get involved in product development. In structural reform, a fundamental review is necessary in the Group as a whole. We intend to move forward quickly in order of priority.

Q4

Recently, new products seem to lack originality or novelty. How will you change that?

A4

We will do our utmost to refine our organization and personnel involved in product development by investing management resources.

Q5

What is a profit driver for the next fiscal year in the fresh meats business?

A5

There will be no change in the overall direction in domestic production and other areas. In addition to expanding sales of branded fresh meats, it will be important to bolster our procurement capability by expanding our production and supply network. Improving procurement capability and supply capability should contribute to profit.

Q6

Will results of various reforms appear during the period of next Medium-Term Management Plan?

A6

We understand that the next Medium-Term Management Plan will be a preparation period to step up to the next growth stage, and it will take time for achievements to become visible.

On the other hand, our current efforts in hams and sausages began to produce positive results. In the future we would like to work to spread the effect to the entire Group involved in processed foods.

Q7

What is the capital investment plan for the next Medium-Term Management Plan?

A7

It is essential for manufacturers to maintain and improve product quality, along with response to the shortage of talented people, so we need to make continuous capital investments. We are also aware of the necessity for optimization via equipment enhancement and replacement.