

**Minutes of the Analyst Briefing for
the First Quarter of the Fiscal Year Ending March 31, 2019**

Date & Time: August 2, 2018 (Thursday) 10:00-11:00

Venue: 605 STATION CONFERENCE TOKYO

Attendee from the Company:

Executive Officer and General Manager of Corporate Communication Department:

Masahito Kataoka

Number of attendees: 67

○Q&A○

Q1.

What is the sales trend of the Processed Foods Business and how is profitability being improved?

A1.

- Although the volume growth is not large, we aim to secure stable profit centering on key brands. For this purpose, we are reviewing the product mix.
- We will continue our measures on profitability improvement such as “standardizing the production system,” “reducing cost of goods,” and “curbing logistics cost.”

Q2.

What will be the impact of trade friction and what is the trend of fresh meat market prices?

A2.

- The trend of fresh meat market prices in the United States is uncertain because of the impact of trade friction caused by the imposition of additional customs duty and it is difficult to make any judgment at this point in time.
- Although there has been no significant change in the supply and demand situation, domestic chicken market prices are low compared with the high market prices in the previous year. Whereas imported chicken has been in short supply since the middle of the first quarter owing to a decrease in the import volume from Brazil, market conditions for imported chicken are stabilizing.

Q3.

What is the outlook of the Australia operations?

A3.

- In the first quarter, the results exceeded the forecast owing to lower livestock procurement costs and stable sales prices. The outlook for the full year is unclear in view of the deteriorating

collection environment, the increasing costs of feedlots owing to rising grain prices, and the possibility of a decline in U.S. beef market prices.

Q4.

What is the outlook of the Affiliated Business (marine products, dairy products)?

A4.

- Despite challenging conditions in the first quarter, a moderate improvement in the performance of the Affiliated Business is expected for the full year.
- While pursuing optimization of the product mix centering on marine products, we will also pursue price revision, including of cheese, step by step.

Q5.

What are the reasons for the fluctuation of “eliminations and adjustments”?

A5.

- The plan for the full year is unchanged at this point in view of the unclear market conditions. We intend to thoroughly investigate the situation in the second quarter.
- “Eliminations and adjustments” includes “profit/loss of baseball club,” “adjustments due to adoption of IFRS,” etc. Although partial forecasts/results variance may occur on a quarterly basis under “impacts of adoption of IFRS” due to the change in accounting standards, it is expected to swing back to a certain extent for the full year.