

**Minutes of the Analyst Briefing
for the Fiscal Year Ended March 31, 2020**

Date & Time: May 15, 2020 (Friday) 13:00-14:20

Web conference

Attendees from the Company:

President and Representative Director (President and CEO): *Yoshihide Hata*
Representative Director and Senior Managing Executive Officer,
General Manager of Fresh Meats Business Division: *Tetsuhiro Kito*
Representative Director and Senior Managing Executive Officer,
General Manager of Processed Foods Business Division: *Nobuhisa Ikawa*
Managing Executive Officer,
General Manager of Corporate Planning Division: *Fumio Maeda*
Managing Executive Officer,
General Manager of Overseas Business Division: *Nobuo Oda*
Executive Officer,
In charge of Accounting & Finance Department and Public & Investor Relations
Department: *Masahito Kataoka*

○Medium-Term Management Plan 2020: Progress at the End of FY2020/3

○Business Results for the Year Ended March 31, 2020

Reference: https://www.nipponham.co.jp/eng/ir/library/briefing_session/

○Q&A

Q1.

To what extent will COVID-19 impact the Company's business in the year ending March 31, 2021?

A1.

In addition to the impact in Processed Food Business Division, Fresh Meats Business Division and Overseas Business Divisions, the impact of the loss of professional baseball club regarding postponement of the opening day, we expect a 10.0 billion yen reduction in profit.

Q2.

What impact is COVID-19 having on the Processed Foods Business Division and what is the outlook for raw materials for the current year?

A2.

While *Hams and sausages* and *Deli and processed foods* expects growth in Consumer Products, the newly added marine products, dairy products, and extract businesses have a high ratio of commercial-use products such as restaurants, and at this point in time they are considered to have negative impacts on the whole. Regarding the procurement of raw materials, although the quantity of raw materials can be secured at a certain level, other suppliers are also considering the possibility of unstable production conditions at the supplier.

Q3.

What is the impact of COVID-19 on the Fresh Meats Business Division and what is the outlook for market prices?

A3.

As in the processed foods business, sales for volume retailers were strong, while sales for commercial-use were severe. However, we expect a gradual recovery from Second Half, mainly in restaurant, and expects an increase in profits for the year.

Fresh Meats Prices is expected to remain at a high level, mainly in domestic Pork and Chicken, on the back of firm demand, although it is highly uncertain. Regarding imports, it is necessary to pay close attention to the effect of the resurgence of purchases by China on import prices.

Q4.

What impact is COVID-19 having on the Overseas Business Division?

A4.

Sluggish demand from restaurant is expected to continue worldwide, creating a challenging environment centering on beef export business. It is important to enhance the added value of Australian beef through ongoing branding efforts in order to enhance its Sales capabilities.

Q5.

How are you exploiting synergy from the New Processed Foods Business Division?

A5.

6 project teams will be established within Processed Foods Business Division to realize synergies. In this fiscal year, we will focus on Purchasing, Production and Logistics. From the next fiscal year onward, we will also seek to realize synergies in production and sales channels.

Under the current medium-term management plan, we have been focusing on strengthening its brands, reducing production costs, and taking on new challenges. Regarding the reduction of production expenses, measures will be implemented for the Deli and processed foods. We intend to continue measures to expand sales channels and raise unit prices to archive a business profit margin of 5%

under the next Medium-Term Management Plan.

Q6.

What factors account for the difference between the results for the Fresh Meats Business Division and the targets of the Medium-Term Management Plan?

A6.

The main reason for the deviation from the current medium-term plan was the slump in prices of domestic chicken. In addition, there were unexpected factors such as Hog's disease in manufacturing and the collapse of poultry houses due to the earthquake. We will continue to improve productivity, expand branded fresh meats, mix channels in sales, and streamline Logistics to increase profitability.

Q7.

What are your thoughts about the baseball club's loss?

A7.

It is assumed that Baseball season will open up, but considering the uncertain situation, we expect a decrease of 39 billion yen. Though it is a conservative assembly, it will be appropriately dealt with according to the future situation.

Q8.

What is the situation regarding capital expenditures under the current Medium-Term Management Plan and what will be the future orientation?

A8.

The initial plan called for negative free cash flow but we want to achieve positive free cash flow for the cumulative figure for the three years. We expect that capital expenditures made by the businesses decreased by about 30%, but total capital expenditures increased by 20 billion yen because of a change in the lease accounting standard. Decreases in capital expenditures by the businesses reflected meticulous examination of each project. We will continue monitoring projects carefully in light of the changing environment with the aim of realizing the benefits early.