

Minutes of the Web Conference for the Third Quarter of the Fiscal Year Ending March 31, 2021 (Main Q&As)

Date & Time: February 1, 2021 (Monday) 15:00-16:00

○Q&A○

Q1.

What is the outlook for the Processed Foods Business Division?

A1.

Consumer Products is doing well, but the situation after the Emergency Declaration was relaunched is not as good as last year. In the Fourth Quarter, we will sales Consumer Products aiming at the same level as the previous year. While Commercial-Use Products remains in a hard situation, we will continue to focus on Consumer products sales and continue its efforts to improve its product mix.

Q2.

What about the Processed Foods Business Division Synergies?

A2.

By integrating the marine/dairy products business and extract/primary processing business into the Processed Foods Business Division, synergies began to appear in Q3. In the current fiscal year, we expect to achieve effects in the order of several 100 million yen. From the next fiscal year onward, it will realize effects from the 6 projects, which is currently promoting, and generate synergy effects for the full fiscal year.

Q3.

What is the outlook for the Fresh Meats Business Division?

A3.

Domestic Fresh Meat Market Prices is remaining strong, and the Farm business has room for upside. However, fears remain, such as higher feed prices and turmoil when U.S. Beef safeguards are triggered. We will continue to work to improve the productivity of farms and ensure revenues.

In sales, we will continue to establish a sales system in response to demand. we will propose Branded Fresh Meats for Volume Retailers and high-value-added products to compensate for the slump in sales for restaurants.

Q4.

What is the outlook for the Overseas Business Division?

A4.

In Beef business, Cattle prices remain high. Sales will also continue to be challenging worldwide due

to the impact of the Covid-19. Efforts will be made to expand sales in Australia and strengthen sales of branded Beef for the U.S. to secure revenues. Uruguay's purchasing environment has improved. We will improve our revenues as soon as possible through the revamped management system.

Q5.

What is the initiatives to ensure revenues in the next fiscal year?

A5.

We see rising feed prices and uncertainty about the outlook for the Covid-19 as a source of worries, but it will work to secure revenues in all of its businesses.

In the processed foods business, we will strive to realize maximum synergies at an early stage and expand sales of new products. In Fresh Meats business, we are preparing to expand sales for branded fresh meats and expand sales for restaurants in anticipation of the convergence of the Covid-19. Productivity improvements for domestic farms will continue, but the extent of the impact of feed price hikes is uncertain. In the overseas business, the Australian sales and purchasing environment is expected to remain hard in the next fiscal year, but we will strive to secure revenues by improving the internal control of Uruguay and initiatives for domestic meal demand in the U.S.