

Date & Time : May 14, 2021 (Friday) 13:00-14:30

Presenters : President and Representative Director	Yoshihide Hata
Representative Director and Executive Vice President General Manager of Fresh Meats Business Division	Tetsuhiro Kito
Representative Director and Executive Vice President General Manager of Processed Foods Business Division	Nobuhisa Ikawa
Director and 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	Masahito Kataoka

#### Q1. Our approach to earnings growth from the medium-term management plan 2023

From the mid-term plan 2020, the first half of the medium-term plan 2023 will be upfront investment in the construction of the new ballpark, DX costs, and maintenance and renewal. From the final year of the medium-term plan, profits are expected to grow by realizing the effects of capital investment and structural reforms, and by generating profits from the opening of new ballpark.

#### Q2. DX Costs and Expected Benefits

We are working on DX in order to cross the company's internal infrastructure. In the past, each of the segmentation has built an individually optimal system, and it takes a certain amount of time to make it a common foundation for the entire company. From the head office division, division will be followed in order, but the benefits are expected to be realized from FY2023 and the effects will exceed the costs from FY2026 onward. Specific effects include the elimination of personal operations through the adoption of AI for loan-loss provisioning operations and cargo carrying operations, the introduction of smart hog farming, and the establishment of new business models such as the D2C business.

#### Q3. Concept of Company-wide Business Portfolio

The company will continue to pursue optimal portfolios based on ROIC, it has pursued since the previous medium-term management plan. In the processed foods business, the company will maximize synergies through integration with marine products, dairy products, extracts and primary processing. Fresh Meats business externalized the assets of domestic cattle. In the future, while strengthening collaboration and alliances with external parties for each livestock species, investment will be concentrated in fields where growth is expected. In the overseas business, we will create new sources of Revenues by increasing Sales of processed products overseas, and continue to work to reduce volatility in Beef business. Steady progress will be made in initiatives to build an optimal portfolio.

#### Q4. Concept of Processed Foods Business Division's Medium-Term Management Forecast 2023

Production regime has changed dramatically due to changes in consumer behavior resulting from the spread of the COVID-19. The consolidation and closure of factory and the review of Production line will be considered in light of the future environment. However, the Company will undertake initiatives to centralize production and smooth production lines in order to build an optimal Production system. In response to the increase in procurement costs, we will aim to improve the cost of procurement in excess of internal improvements and the realization of benefits from DX. Regarding internal improvements, the effects have already been realized in the sales channels and purchasing of integrated marine products, dairy products, extracts and primary processed products. In the future, price revisions will be taken into account, and further improvements will be achieved by integrating systems through DXs at logistics and production. Aim to improve profitability by advancing structural reforms.

#### Q5. Concept of Fresh Meats Business Division's Medium-Term Management Forecast 2023

Fresh Meats Business Division has built a system to ensure stable earnings from production to sales by handling domestic and imported livestock species. Under the current medium-term plan, while capital expenditures for maintenance, renewal, and aging measures will temporarily increase in the manufacturing and sales divisions, the Company will strengthen the entire value chain. In production, we will improve hogs' production indicators and strengthen chickens' in-house production. At the same time, we will strengthen our procurement capabilities by strengthening collaboration with external parties. In sales, we will target a 25% share in FY2030. Aim to expand sales with revenues by strengthening marketing and balancing channel and brand strategies.

#### Q6. Concept of Overseas Business Division's Medium-Term Management Forecast 2023

Strengthen North America and the ASEAN region to expand the processed products business. In the future, the company aims to transform its business model to achieve sales comparable to Beef business. In the Americas business, sales of processed chicken products in North America grew significantly, partly due to changes in consumer behavior resulting from the spread of the COVID-19. In the current medium-term plan, the company will maintain expanded sales by strengthening the processed products business. Australia's business is expected to improve its cattle cycle from FY2022 onward. While global sales conditions are uncertain, Revenues of beef and BPU (Uruguay) will be reformed to reduce volatility and ensure revenues.