

**Minutes of the Analyst Briefing
for the Second Quarter of the Fiscal Year Ending March 31, 2021**

Date & Time: November 5, 2021 (Thursday) 10:00-11:30

Venue: STATION CONFERENCE TOKYO/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*
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 and Public & Investor Relations
Department: *Masahito Kataoka*

○Medium-Term Management Plan 2020: Progress at the Second Quarter of the FY2021/3

○Business Results for the Second Quarter of the Year Ending March 31, 2021

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

○Q&A

Q1.

What is the image of the business profit forecasts in the next Medium-term Management Plan?

A1.

In order to achieve a business profit margin of 5% as early as possible, we will strive to grow Core Businesses of its various business division and identify new businesses with Revenues potential.

Q2.

What is the portfolio-oriented approach for the next Medium-term Management Plan?

A2.

We will consider the ideal business, base, and product portfolio from the 3 perspectives of total optimization, promotion of ROIC management, and ESG strategy.

Q3.

What are the thoughts on improving ROIC?

A3.

Improve ROIC spreads by reducing WACC by improving the efficiency of invested capital and pursuing an optimal capital structure. Although investment has been made for maintenance, renewal, and efficiency improvement, the investment effect will materialize in the future. We will also work to optimize working capital.

Q4.

What are the thoughts on the next fiscal year for the Processed Foods business?

A4.

We expect sales of mainstay brands and other products that grew in the aftermath of the Covid-19 to continue to grow. The realization of synergies from the integration is also a key point, and we aim to realize benefits from the next fiscal year.

In addition, amid a decline in demand for commercial-use products, we thoroughly managed the costs of commercial-use extracts and cheese businesses. We believe that this effect can also be realized through the next fiscal year.

Q5.

What are the thoughts on the next fiscal year for Fresh Meats business?

A5.

Domestic Pork and Chicken are considered to be pillars of revenues, and we will continue measures to expand sales to volume retailers.

We also anticipate a recovery in import Fresh Meats, which was unstable in terms of demand and supply for commercial-use, and we would like to see an increase in profits in the next fiscal year.

In addition, aiming for a 25% market share, we will strengthen its procurement capabilities domestically and overseas, strengthen its sales in growth channels, and expand sales of branded fresh meats.

Q6.

What is the outlook for Chicken Prices in Fresh Meats business?

A6.

Over the last 2 years, Chicken's output has increased by 5%, but demand has remained at a high level due to the Covid-19. A shortage is also feared toward the end of the year, and Chicken Prices is expected to strengthen by the end of the year.

Q7.

What are the expected effects of overseas operations in Australia, Uruguay, and Turkey?

A7.

In Australia, the effect of internal improvements and sales measures that strengthened branding were considered to be factors behind we securing profitability amid a severe external environment. Uruguay will continue to improve and strengthen its internal improvements, branding and domestic Sales in the same way as Australia. Turkey's revenue is tough due to the depreciation of the exchange rate and the sluggish chicken prices in Turkey, but sales volume is growing by 10%. We will review its product portfolio and develop high-value-added products.

Q8.

What are the thoughts on the pursuit of sustainability?

A8.

Work to expand business revenues by solving social issues. For example, we would like to develop and commercialize brain function products using components of imidazole dipeptide. In addition, by promoting smart pig project and smart poultry project, we will contribute to the growth and development of the livestock industry, such as by eliminating labor shortages.