

**Minutes of the Conference Call for the Second Quarter of the Fiscal Year Ending March 31, 2022**  
**(Main Q&As)**

Date & Time: November 1, 2021 (Monday) 17:00-18:00

○Q&A○

Q1. What is cost increase in the Processed Foods Business Division?

- In response to rising raw material prices, price negotiations are conducted every time for commercial use. Consumer products are compensated by our self-help efforts, but if raw material prices and exchange rates deteriorate further, they will be extremely in severe situation. We recognize that pricing measures for the next fiscal year are an important management issue. The cost of raw materials, electricity and fuel in the next fiscal year is also expected to rise considerably.

Q2. What is concentration of manufacturing of core brands and synergies in the Processed Foods Business Division?

- Concentration of manufacturing lines for *SCHAU ESSEN* has been implemented since the second half of the fiscal year. From the next fiscal year onward, we will continue to concentrate lines of other mainstay brands. The synergistic effects of the processed foods business division are mainly realized in extracts and primary processed foods, despite the impact of soaring raw material costs.

Q3. What is domestic production and imported meat market conditions and meat import environment in the Fresh Meats Business Division?

- The farm business is expected to be affected by weak domestic pork prices and soaring feed prices. Imported beef is expected to face a challenging import environment due to continuing soaring procurement prices.

Q4. What is the outlook for sales of Nippon Food Group companies in the Fresh Meats Business Division?

- It is tough situation for the full-year forecast due to the reactionary fell to the previous fiscal year and the impact of soaring prices for domestic beef and imported beef. We intend to secure profits by recovering restaurants, increasing market share in key channels as outlined in the medium-term plan, and strengthening sales of branded meat. We will continue to build a sales system to achieve sustainable growth.

Q5. What is the outlook for the Overseas Business Division in Australia?

- Although Australia's live cattle price continues to be high, the shipment number of cattle is recovered in the next fiscal year, and the live cattle price is expected to stabilize. In the next fiscal year, it is necessary to closely monitor the sales environment, but we are aiming to secure further earnings by improving the purchasing environment.

Q6. How is the impact of production in Thailand by COVID-19?

- Thailand is a production base for processed chicken products, and the production volumes are recovering. However the shortage of workers has not recovered, and the impact is expected to remain until next spring. As a result, Asian and European operations of the Overseas Business Division are in a difficult situation, which is also affecting the commercial-use sales of the Processed Foods Business Division.

Q7. How is the DX Expenses?

- The full-year forecast has improved by ¥1.1bn, but this is the result of a careful examination of the forecast for the current fiscal year, and project progress is steady. We will proceed with a review again on DX expenses for the next fiscal year and intend to announce it at the time of the next medium-term management announcement.