

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

Date & Time: February 2, 2022 (Wednesday) 16:00-17:00

○Q&A○

Q1. What is the Processed Foods Business Division's forecast for the current fiscal year and its approach for the next fiscal year?

In Q3, we were affected by fierce price competition, soaring raw material and fuel prices, and a decline in the volume of imports of overseas environment products. However, we strive to secure profits by expanding sales of new products and new packaging materials *Shaw Essen* and keep this figure at ¥14.5 billion, down ¥0.5 billion compared to forecasts.

Prices of raw materials and fuels are expected to continue rising in the next fiscal year. Our efforts will be made to secure profits through price revisions already announced, the concentration of manufacturing for mainstay brands, the integration of overlapping lines, and synergies.

Q2. What is the Fresh Meats Business Division's outlook for the current fiscal year and its approach for the next fiscal year?

The farm business was heavily affected by a sharp rise in feed prices and a market decline. The sales division was also affected by delays in passing on rising imports and domestic beef prices and opportunity losses due to a deteriorating procurement environment. At the start of Q3, the Food Business is showing signs of recovery as prices are passed through, but the impact of the harsh import procurement environment and soaring feed prices is expected to remain at 36 billion yen, minus 1 billion yen compared to the forecast.

In the next fiscal year, the rising feed price and the unstable import procurement environment are expected to continue. While our efforts will be made to secure profits by passing on the price hike of imported beef and expanding sales of domestically produced meat, uncertainty remains in the farm business, which is affected by the rise in feed prices.

Q3. What is the outlook for the current fiscal year for the Overseas Business Division?

The Australian business performed well due to a recovery in global demand for beef and sales of branded meat in Australia. In Asia and Europe, we will also drive the sale of Ege-Tav (Turkey) chicken, and expect to surpass its forecasts by ¥2.5 billion, plus ¥1.5 billion compared to forecasts.

Beef sales are expected to remain firm in both Australia and BPU (Uruguay) in the next fiscal year. It is also assumed that livestock prices, which remain at historically high levels in Australia, will stabilize.

In the Asian and European businesses also, we think it is possible to generate profits from a recovery in manufacturing volume in Thailand.

Q4. What are the objectives of the reorganization of the Fresh Meats Business Division?

By shifting to a value chain business division system for each livestock species, respond to the diversification of market structure and customer needs. We aim to expand profits by facilitating cooperation within the division and flexible product development and sales.

Q5. What is the forecast on the business profit plan of ¥52 billion for the next fiscal year?

As mentioned above, the domestic business is significantly affected by the external environment, but we will strive to secure profits by revising prices, making self-help efforts, driving overseas business, and recovering the baseball team business. However, the ¥52 billion plan announced in the Medium-Term Management Plan 2023 is challenging.