

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

Date & Time: May 10, 2022 (Tuesday) 14:00-15:00

○Q&A○

Q1. What are the Processed Foods Division's efforts toward the business profit plan ¥10 billion?

There is an impact of 13 billion yen due to the soaring prices of raw materials and electricity. In addition to the improvement due to the price revision (¥6 billion) already announced, an improvement of ¥5.6 billion is expected. This will be an improvement activity on a scale not seen in the past, but efforts will be made by integrating production and sales. Specifically, in manufacturing, changes in blending and packaging materials, utilization of advantageous raw materials, etc. In sales, we plan to expand sales of highly profitable mainstay brands, develop new sales channels, develop new products, and revise prices for commercial use. If the yen continues to depreciate further and raw material prices continue to soar, we will work to further revise prices and make self-help efforts.

Q2. What are the consumption and competitive environment surrounding the Processed Foods Division?

We revised prices ahead of competitors, but the price gap became conspicuous in *Shaw Essence* and other products, and the price was affected to a certain extent. However, other companies are also pushing ahead with price revisions, and we expect them to gradually unwind. Going forward, we will work to maintain sales prices and recover sales volumes by implementing sales promotion measures aimed at recovering sales volumes.

Q3. What are the Fresh Meats Business Division's efforts toward the business profit plan ¥360 billion?

The farming division will be affected by soaring feedstuff and fuel prices, but it will secure profits throughout the value chain. We will collaborate with feed and machinery manufacturers to reduce costs. We will also increase profitability by expanding the production volume of *Sakurahime* and other branded meats. The sales division has been recovering since Q3 when restaurant demand began to recover. A specialized department was also established to strengthen the channel strategy. We will secure profits by strengthening sales to the restaurant channel, which is on a recovery trend, and our brand strategy, and will drive the Fresh Meats Business Division as a growth driver.

Q4. What are market conditions for domestic chicken and the production outlook for the current fiscal year?

Demand for domestic chicken is expected to increase due to a shift from imported meat, which is soaring. The market is expected to maintain a certain level amid fluctuations due to seasonal factors, but sales prices are not expected to rise significantly due in part to an increase in the preference for savings. Due to the increase in demand, the production of domestic chicken by each company is considered to be a slight increase.

Q5. What is the outlook for the Australian Business of the Overseas Business Division?

Amid shipments of beef with high feeding costs, consumption is expected to be sluggish due to policies to curb COVID-19 pandemic in China, and sales prices are expected to fall. On the other hand, sales in Australia are robust, and we will secure profits by increasing the sales ratio of branded meat.

Q6. What is the progress in DX and expenses in FY2023/3?

In FY2022/3, DX expenses were ¥3.3 billion which decreased ¥1.7 billion from Mid-term management plan 2023. However, DX expenses are proceeding as planned. In FY2023/3, we expect to incur expenses of ¥6.7 billion as planned when it formulates the Mid-term management plan 2023.