

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

Date & Time: August 2, 2021 (Monday) 15:30-16:30

○Q&A○

Q1. What is the first quarter results and future Outlook for the Processed Foods Business Division?

- Consumers performed well in terms of both sales volume and value. The result was given by deli products, thanks to sales of high-value-added products in response to persistently high in-house meal demand and efforts to develop new sales channels mainly including room temperature products.
- In commercial-use products, they are recovered by menu proposals with profits and past reforms. Marine products business also steadily secured profits, partly by sales expansion through self-help efforts.

Going forward, we aim to secure further profits by expanding sales of our mainstay brands and developing and proposing high-value-added products.

Q2. What is synergies in the Processed Foods Business Division and efforts in the manufacturing system?

- Synergies in sales channels are emerging, particularly for extracts and primary processed products. Going forward, we will continue to propose products tailored to customers to create even greater synergies.
- In manufacturing, the effects of continuous line investment have been realized. We are also considering concentrating manufacturing of our mainstay products, and will further improve profitability. We expect raw material prices to rise in the second half. The next fiscal year is also considerably ahead of time, and we do not currently anticipate the impact of this fiscal year.

Q3. What is the first quarter results and future outlook for the Fresh Meats Business Division?

- Production was significantly affected by higher feed prices, weaker pork prices and lower production volumes. Even after Second Quarter, the effect of the rise in feed prices will be affected, but we will make efforts to minimize the impact by improving the productivity index, etc.
- In the sales, the quantity was maintained, despite the unstable supply of imported meat. Profits were difficult to maintain due to the delay in passing on the price hike of domestic and imported beef. Going forward, we aim to secure profits by passing on sales prices and proposing value-added products.

Q4. What is the brand measures and efforts to increase market share in the Fresh Meats Business Division?

- We are considering a new brand from a medium-to long-term perspective. In terms of market share, we will also expand volume and increase market share by strengthening our efforts to key customers (e.g., co-op, drug stores, etc.).

Q5. What is the first quarter results and future outlook for the Overseas Business Division?

- In the beef business in Australia, sales prices rose more than expected, partly due to a recovery in demand. Sales prices are expected to remain constant and will offset the impact of lower purchase volumes and soaring cattle prices. BPU's, a beef packer in Uruguay, embargo on exports to China was lifted in July. The impact is expected to remain constant in First Half, but we aim to recover profits from Second Half onward.

- In North America, profits were squeezed by rising prices for meat procurement to Japan and the cost of producing processed chicken products, partly due to the impact of soaring feed prices. Sales of processed foods have been strong, and feed prices have stabilized, and we intend to improve them from the second half onwards.

Q6. How is the progress of DX?

- Plans throughout the year are progressing as expected. The timing of the benefits will not change as the final fiscal year of the medium-term management plan 2023.