

Minutes of the Web Conference for the Second Quarter of the Fiscal Year Ending March 31, 2023
(Main Q&As)

Date & Time: October 31, 2022 (Monday) 15:00-16:00

○Q&A○

Q1. What is outlook for the Second half plan?

In the first half, the processed foods business was in line with the forecast revised in 1Q, but the fresh meats business and the overseas business were tougher than expected, and business profit in the first half was ¥15.2 billion. We reviewed the plan in light of the harsh business environment in the second half and forecast business profit of ¥36.0 billion for the full fiscal year.

Q2. What is outlook for the business profit plan for the current fiscal year of the Processed Foods Business Division?

In the first half, sales volume declined for mainstay brands due to price revisions in February, but it has been recovering since 2Q. In the second half, we will implement large-scale sales promotions centered on the power of the *Schau Essen* brand. With the price revision in October, the manufacturing profit will be secured firmly. We forecast ¥7.5 billion in business profit for the full year by reviewing production lines.

Q3. What is outlook for the business profit plan for the current fiscal year of the Fresh Meats Business Division?

In the first half, we struggled due to the high raw material prices for imported beef and higher-than-expected feed prices. The farming division will continue to be affected in the second half, but Nippon food Group sales are expected to grow due to a recovery in inbound and restaurant demand. In addition, while imported meat business remains severe, business profit of ¥33.0 billion is expected due to robust performance of domestic chicken.

Q4. What is outlook for the business profit plan for the current fiscal year of the Overseas Business Division?

The business profit squeezed in the first half due to rising production and procurement costs for Australian beef and soaring beef livestock prices in Uruguay. In the Americas, profitability is expected to improve due to price revisions for processed products. However, conditions are expected to be difficult due to a decline in beef sales prices and a delay in recovery in the number of beef shipments in Australia.

Q5. What are expectations for the next fiscal year?

We are considering the assembly of the next fiscal year. The harsh environment is still expected for the next fiscal year, but we will work to increase profits.