

## Minutes of the Web Conference for the Medium-Term Management Plan 2023

Date & Time: November 1, 2022 (Friday) 13:00-14:30

Presenters: President and Representative Director	Yoshihide Hata
Representative Director and Executive Vice President	
General Manager of Fresh Meats Business Division	Tetsuhiro Kito
Representative Director and Executive Vice President	
General Manager of Corporate Planning Division	Nobuhisa Ikawa
Director and Managing Executive Officer	
General Manager of Processed Foods Business Division	Fumio Maeda
Director and Executive Officer	
In charge of Accounting & Finance Department	Masahito Kataoka
Managing Executive Officer	
General Manager of Overseas Business Division	Nobuo Oda

Medium-Term Management Plan 2023 Progress Briefing Materials

Source: “[https://www.nipponham.co.jp/eng/ir/library/briefing\\_session/pdf/2023/20221104\\_01.pdf](https://www.nipponham.co.jp/eng/ir/library/briefing_session/pdf/2023/20221104_01.pdf)”

○Q&A○

Q1. What is the profits recovery of the Processed Foods Business Division?

Sales of *Schau Essen* struggled in the first half, but have returned to a certain level since October. As initiatives for the next fiscal year, we will promote organizational reforms and other measures, and also consider further price revisions based on the environment. We work to recover profits by strengthening sales promotions according to targets and investing management resources in core brands.

Q2. How is the introduction of DX for the Processed Foods Business Division?

Supply and demand forecasts by DX are being established. We think that DX in ordering can be utilized in a predicted amount up to the order to the plant.

Q3. What are external environmental impacts of the Fresh Meats Business Division?

In the first half, the impact of soaring feed, electricity and fuel costs and yen depreciation were offset by the negative impact of ¥7.4 billion for the full fiscal year, of which ¥5.8 billion will be offset by internal improvements through organizational reforms and other factors. Due to shipments delays, in-

market inventories of imported products increased significantly, but we expect them to be eliminated. Combined feed prices have risen by about 1.5 times over the past two years, but are expected to decline almost flat to moderately in the next fiscal year.

Q4. What is a progress of each project in the Fresh Meats Business Division?

By the feed project, the feed price in the first half could be restrained to a certain extent, and the review of the production index was also advanced. *New Food project* is considering various measures regarding the sustainable approach of Nippon Food Group. In the second half, we will implement digital marketing and online ordering.

Q5. What is outlook for the business in Australia (Beef Business) for the next fiscal year of the Overseas Business Division?

The number of cattle in Australia in this fiscal year increases about 6%, and it is predicted that it will further increase 5% in the next fiscal year. Due to the impact of COVID-19, this period was not as expected at the beginning of the fiscal year, and logistics and plant operations in Australia as a whole were significantly affected by the turmoil in overseas transportation, a decrease in processing operations due to a decrease in the number of foreign workers in Australia, and rainfalls in the eastern part of Australia. In the next fiscal year, production reduction of beef produced in North America is expected, and the environment in which demand of beef produced in Australia recovers is prepared.

Q6. What will be downside risks of the new baseball stadium?

Baseball Club revenues include tickets, advertising, food and beverage, and broadcasting rights. Advertising contracts are completed, and the annual seats of the spectators are expected to be mostly sold out, and food and beverage revenues will increase. We will endeavor to attract customers because the degree of customer attraction is a downside risk.

Q7. What is our valuation of market capitalization?

Due to the business structure centered on the domestic business, the low overseas business ratio is considered to be a concern for future growth potential. As an initiative, we will rapidly develop our overseas processed foods business by leveraging our domestic processing technologies. We will leverage the collective strengths of the Group as a whole in a cross-sectional manner in our sales and logistics systems and production bases to enhance Group synergies.