

Minutes of the Web Conference for the Second Quarter of the Fiscal Year Ending March 31, 2024
(Main Q&As)

Date & Time: October 31, 2023 (Tuesday) 18:00-19:00

Q1. What is our business profit forecast for the FY24/3?

We revised full-year business profit upward to ¥44 billion. We consider the processed foods business is a reasonable plan. In the fresh meats business, we expect the domestic chicken market price in the second half will be lower than expected, but Food sales have the potential to be upside. Overseas business is expected to recover beef business in Australia.

Q2. What is our business profit forecast for the next FY25/3?

The processed foods business is expected to continue high raw material prices due to the weak yen. We will secure profits taking into consideration revising prices. In the fresh meats business, we plan to establish a system for generating further profits from Food sales, and domestic pork business will review its profit structure. In the overseas business, sales recovery in Australia progresses in earnest in the next fiscal year. We also expect to expand sales of processed products in the U.S.

Q3. How is the newly established Marketing Management Department of the Processed Foods Division?

The new Marketing Management Department established this fiscal year serves as a hub to align the direction of sales and manufacturing, and plays a role in optimizing profits in the processed foods business as a whole. It focuses on products that maximize profits and strengthen product development.

Q4. What are revenues of Processed Foods Business Division?

We recognize that it bottomed out from the very severe situation of last year. Sales of mainstay brand products are also on a recovery trend. *Schau Essen* sales are recovering in line with sales promotions. The unit price of *Chuka Meisai* improved, but there is a problem in the recovery of sales, and the renewal will be carried out in the future.

Q5. What is outlook for the second half of the Fresh Meats Business Division?

In the first half of the domestic chicken business, the market fell from 2Q, and we struggled to secure profits by producing chicken. The market price in the second half is expected to be lower than last year. In the imported fresh meats business, profits are expected to be secured by shifting beef from U.S., which is soaring, to Australia, and demand for chicken is expected to be firm.

Q6. How do we control to hold inventories in the imported fresh meats business?

In this fiscal year, we changed to management that emphasizes inventory turnover, and have established a system that ensures profitability, including inventory management.

Q7. What is outlook for the Australian business over the next fiscal year?

The beef business in Australia has a problem of securing workers, but the business environment is improving. We expect U.S. beef production cuts to continue for two to three years, and expect a favorable environment in Australia.