

IRDAY on January 12, 2021

1st Part (Australia) 13:10-14:00

Presenter:

Nobuo Oda, Managing Executive Officer, General Manager of Overseas Business Division

Seiji Inatomi, Managing Director of NH Foods Australia Pty. Ltd.

Q1. What is the Points of Structural Reform and Outlook for the Next Fiscal Year?

We have worked on 2 axes: expanding Revenues and reducing costs. The key point in expanding Revenues is how to maximize gross margin. This is the result of the Group-wide effort in Australia in manufacturing, processing, and sales to optimize operations and identify sales that maximize gross profit.

It is anticipated that the external environment will continue to be severe in the next fiscal year. Livestock price is expected to remain high due to the demand declines because of Covid-19 and the number of cattle processed continues to decrease. Within this context, we would like to identify markets where Australia's presence can be demonstrated.

Q2. How to Response to the Growing Chinese Domestic Beef Market?

In the Chinese market, we will promote a brand strategy that emphasizes high quality and safety products produced in Australia, thereby differentiating Beef from commodities produced in South America.

Q3. How to Response to the Commodity Market and Future of the Uruguay Business?

We will sell not only Beef of premiums with added value, but also commodities. Uruguay's Beef can be differentiated from its competitors in South America due in part to its high-quality Cattle. We believe that the direction we should aim for is the same as that of Australia, and it will continue to promote reforms in the future.

Q4. What is the Synergy with Fresh Meats Business Division?

In the Australian business, expanding and refining sales of Omugi-Gyu brand will be the pillar of its collaboration with Fresh Meats Business Division. Overseas Business Division as a whole will strengthen collaboration through business activities in anticipation of Japanese export operations and free trade agreements.

Q5. What is the Percentage of Feedlots and Future n the Australian Business?

Shipments from the Whyalla Farm account for 150,000 of the 450,000 cattle processed in Australia Business. Leverage feedlots to differentiate and promote brand power.