

May 10, 2024

BRIEF STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2024

(Under IFRS Accounting Standards) (Consolidated)

Name of listed company:	NH Foods Ltd. (the “Company”)
Listing exchange:	Tokyo Stock Exchange
Code number:	2282
URL:	https://www.nipponham.co.jp/eng/
Representative:	Nobuhisa Ikawa President and Representative Director
Further inquiries:	Satoshi Izumi General Manager of Accounting & Finance Department
TEL:	+81-6-7525-3042
Scheduled date of the Ordinary General Meeting of Shareholders:	June 25, 2024
Scheduled date of payment of dividends:	June 4, 2024
Scheduled date of filing of securities report:	June 26, 2024
Preparation of supplementary information on statement of accounts:	Yes
Holding of results briefing:	Yes (results briefing for institutional investors and analysts)

(Figures are indicated by counting fractions of 1/2 or more of a million yen as one and discarding the rest.)

1. Consolidated business results for the year ended March 31, 2024 (April 1, 2023 through March 31, 2024):

(1) Consolidated operating results:

(The percentages indicate the rates of increase (decrease) from the previous fiscal year.)

	Net sales		Business profit		Profit before tax		Profit		Profit attributable to owners of the parent		Total comprehensive income	
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
Year ended March 31, 2024	1,303,432	3.5	44,939	75.6	40,599	83.2	29,448	84.3	28,078	68.8	46,754	102.8
Year ended March 31, 2023	1,259,792	9.4	25,596	(46.8)	22,162	(57.2)	15,976	(66.5)	16,637	(65.4)	23,053	(57.4)

	Earnings per share (basic)	Earnings per share (diluted)	Ratio of profit to total equity attributable to owners of the parent	Ratio of profit before tax to total assets	Ratio of business profit to net sales
	(yen)	(yen)	(%)	(%)	(%)
Year ended March 31, 2024	273.70	—	5.5	4.3	3.5
Year ended March 31, 2023	162.44	162.42	3.4	2.4	2.2

(For reference) Share of profit (loss) in investments accounted for using the equity method:

Year ended March 31, 2024: ¥127 million

Year ended March 31, 2023: ¥2,773 million

- (Notes) 1. Business profit is calculated by deducting cost of goods sold and selling, general and administrative expenses from net sales, and accounting for foreign exchange gains and losses determined by the Group, while deducting adjustments in accordance with IFRS Accounting Standards and non-recurring items.
2. The beef business relating to Breeders & Packers Uruguay S.A. (“BPU”) has been reclassified to discontinued operations from the fourth quarter of the consolidated accounting period ended March 31, 2023. As a result, profit (loss) from discontinued operations is presented separately from those from continuing operations in the consolidated statements of income. Consequently, only net sales and profit before tax from continuing operations are presented.
3. The ratio of business profit to net sales is calculated using business profit adjusted for discontinued operations (¥45,897 million for the year ended March 31, 2024 and ¥28,191 million for the year ended March 31, 2023).

(2) Consolidated financial position:

	Total assets	Total equity	Total equity attributable to owners of the parent	Equity ratio of owners of the parent	Equity per share attributable to owners of the parent
	(millions of yen)	(millions of yen)	(millions of yen)	(%)	(yen)
Year ended March 31, 2024	958,237	539,202	527,503	55.0	5,138.81
Year ended March 31, 2023	937,155	502,781	492,913	52.6	4,808.70

(3) Consolidated cash flows:

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the year
	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)
Year ended March 31, 2024	86,586	(39,224)	(53,189)	65,465
Year ended March 31, 2023	11,331	(63,677)	28,417	64,986

2. State of dividends:

	Annual dividend (yen)					Total dividends (annual)	Dividend payout ratio (consolidated)	Ratio of dividends to equity attributable to owners of the parent (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(%)	(%)	
Year ended March 31, 2023	—	—	—	110.00	110.00	11,324	67.7	2.3
Year ended March 31, 2024	—	—	—	119.00	119.00	12,251	43.5	2.4
Year ending March 31, 2025 (forecast)	—	—	—	135.00	135.00		51.3	

(Note) Total dividends include dividends on the Company's shares held by the Board Incentive Plan Trust (¥15 million for the year ended March 31, 2024 and ¥14 million for the year ended March 31, 2023) and dividends on the Company's shares held by the NH Foods Group Employee Shareholding Association Trust (¥21 million for the year ended March 31, 2024 and ¥34 million for the year ended March 31, 2023).

3. Forecast of consolidated business results for the year ending March 31, 2025 (April 1, 2024 through March 31, 2025):

(The percentages indicate the rates of increase (decrease) from the previous fiscal year in respect of the whole-year period, and from the second quarter (cumulative) period of the previous fiscal year in respect of the second quarter (cumulative) period, respectively.)

	Net sales		Business profit		Profit before tax		Profit attributable to owners of the parent		Earnings per share (basic)
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(yen)
Second quarter (cumulative)	670,000	2.7	24,000	(3.9)	22,000	(30.4)	13,000	(34.9)	136.38
Whole-year period	1,340,000	2.8	48,000	6.8	40,000	(1.5)	27,000	(3.8)	263.03

* Notes:

- (1) Changes in significant subsidiaries (changes in specific subsidiaries involving a change in the scope of consolidation) during the year under review: Yes

New subsidiaries: — (Name:)

Excluded subsidiaries: 1 (Name: Breeders & Packers Uruguay S.A.)

- (2) Changes in accounting policies and accounting estimates:

- | | |
|--------------------------------------------------------------------------|------|
| 1) Changes of accounting policies required by IFRS Accounting Standards: | None |
| 2) Changes of accounting policies other than 1) above: | None |
| 3) Changes in accounting estimates: | None |

- (3) Number of shares issued (shares of common stock):

- 1) Number of shares issued (including shares of treasury stock) as of the end of the fiscal year:

Year ended March 31, 2024:	102,958,904 shares
Year ended March 31, 2023:	102,958,904 shares

- 2) Number of shares of treasury stock as of the end of the fiscal year:

Year ended March 31, 2024:	308,314 shares
Year ended March 31, 2023:	454,459 shares

- 3) Average number of shares outstanding during the fiscal year:

Year ended March 31, 2024:	102,587,844 shares
Year ended March 31, 2023:	102,418,686 shares

(Note) The number of shares of treasury stock as of the end of the fiscal year includes the number of the Company's shares (123,968 shares for the year ended March 31, 2024 and 131,403 shares for the year ended March 31, 2023) held by the Board Incentive Plan Trust (the "BIP Trust") adopted upon the introduction of the Performance-Based Stock Compensation Plan for officers. The number of shares of treasury stock deducted in the calculation of the average number of shares outstanding during the fiscal year includes the number of the Company's shares held by the BIP Trust. In addition, the number of shares of treasury stock as of the end of the fiscal year includes the number of the Company's shares (173,500 shares for the year ended March 31, 2024 and 313,400 shares for the year ended March 31, 2023) held by the NH Foods Group Employee Shareholding Association Dedicated Trust (the "Trust") upon the introduction of the Trust-type Employee Shareholding Incentive Plan. The number of shares of treasury stock deducted in the calculation of the average number of shares outstanding during the fiscal year includes the number of the Company's shares held by the Trust.

(For reference) Summary of the non-consolidated business results

1. Non-consolidated business results for the year ended March 31, 2024 (April 1, 2023 through March 31, 2024):

(1) Non-consolidated operating results

(The percentages indicate the rates of increase (decrease) from the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
Year ended March 31, 2024	835,263	3.1	(221)	—	21,949	214.8	21,775	78.0
Year ended March 31, 2023	810,307	4.5	(10,108)	—	6,972	(67.5)	12,231	(61.7)

	Basic earnings per share	Diluted earnings per share
	(yen)	(yen)
Year ended March 31, 2024	212.26	—
Year ended March 31, 2023	119.42	119.41

(2) Non-consolidated financial position

	Total assets	Total net assets	Equity ratio	Total net assets per share
	(millions of yen)	(millions of yen)	(%)	(yen)
Year ended March 31, 2024	598,371	244,893	40.9	2,385.70
Year ended March 31, 2023	593,706	231,646	39.0	2,259.86

(For reference) Net worth:

Year ended March 31, 2024:	¥244,893 million
Year ended March 31, 2023:	¥231,646 million

2. Forecast of non-consolidated business results for the year ending March 31, 2025 (April 1, 2024 through March 31, 2025):

(The percentages indicate the rates of increase (decrease) from the previous fiscal year in respect of the whole-year period, and from the second quarter (cumulative) period of the previous fiscal year in respect of the second quarter (cumulative) period, respectively.)

	Net sales		Ordinary income		Net income		Basic earnings per share
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(yen)
Second quarter (cumulative)	420,000	1.5	16,600	(21.6)	17,900	(18.0)	174.38
Whole-year period	850,000	1.8	17,200	(21.6)	17,900	(17.8)	174.38

- * A brief statement of accounts is outside the scope of audit conducted by certified public accountants or audit firms.
- * Explanation for the appropriate use of the forecast of business results and other special instructions

(Cautionary notice on information about the future)

The descriptions herein about the future, including the forecast of business results, are based on the information currently available to the Company and certain assumptions considered reasonable by the Company and are not contemplated to ensure the fulfillment thereof. The actual results may materially differ from such forecast and plans depending on various factors. The Company, therefore, wishes to caution that readers should not place undue reliance on these descriptions to make investment decisions. Further, unless obligated by laws or ordinances or the rules of financial instruments exchanges, the Company will not necessarily, or is not obligated to, revise such descriptions about the future, including the forecast of business results notwithstanding any information or event in the future or any results arising therefrom, or publicize such revised information. For information on the conditions precedent to the forecast of business results and cautionary notes for the use of the forecast of business results, please refer to “1. Overview of Operating Results, etc. (4) Future Outlook” on page 11.

CONTENTS OF ATTACHMENT

1. Overview of Operating Results, etc.....	9
(1) Overview of Operating Results.....	9
(2) Overview of Financial Position	10
(3) Overview of Cash Flows.....	11
(4) Future Outlook.....	11
(5) Fundamental Policy of Profit Allocation and Dividends for the Year Ended March 31, 2024 and the Year Ending March 31, 2025	13
2. Fundamental Approach to Selecting Accounting Standards.....	14
3. Consolidated Financial Statements and Primary Notes	15
(1) Consolidated Statements of Financial Position.....	15
(2) Consolidated Statements of Income.....	17
(3) Consolidated Statements of Comprehensive Income	18
(4) Consolidated Statements of Changes in Equity	19
(5) Consolidated Statements of Cash Flows.....	21
(6) Note on the Premises of a Going Concern.....	22
(7) Significant Matters Forming the Basis for Preparing Consolidated Financial Statements.....	22
(8) Notes to Consolidated Financial Statements.....	22
1. Segment information	22
2. Per share information.....	25
3. Note on discontinued operations	27
4. Significant subsequent events.....	28

- * The Company is planning to hold a briefing for investors as follows. All materials to be distributed at the briefing will be disclosed on TDnet and posted on its website today.
 - May 10, 2024 (Friday): Results briefing for institutional investors and analysts
 - May 17, 2024 (Friday): Briefing on the new Medium-Term Management Plan for institutional investors and analysts

- * In addition to the above-mentioned briefing, the Company will hold briefings of its operations and business results for individual investors from time to time. Please check the Company's website for information on the schedules of such briefings, etc.

1. Overview of Operating Results, etc.

(1) Overview of Operating Results

Overview of Operating Results in General

Consolidated net sales for the year ended March 31, 2024 increased by 3.5% from the previous fiscal year to ¥1,303,432 million. Factors contributing to this increase included the pass-through of price increases for domestic chicken in the Fresh Meats Business, the penetration of price revision in the Processed Foods Business, and an increase in the number of visitors in the Ballpark Business. Business profit increased by 75.6% to ¥44,939 million due to improved profitability in the Processed Foods Business and an upturn in the sales environment in the Overseas Business, in addition to the growth of the Fresh Meats Business. Despite a decline in share of profit in investments accounted for using the equity method, profit before tax increased by 83.2% to ¥40,599 million thanks to the substantial increase in business profit, and profit attributable to owners of the parent increased by 68.8% to ¥28,078 million, compared to the previous fiscal year.

Breakdown of consolidated net sales

Category	Year ended March 31, 2023 (April 1, 2022-March 31, 2023)		Year ended March 31, 2024 (April 1, 2023-March 31, 2024)		Rate of increase (decrease) from the previous year (%)
	Amount (millions of yen)	Component ratio (%)	Amount (millions of yen)	Component ratio (%)	
Hams and sausages	130,161	10.3	135,150	10.4	3.8
Processed foods	235,166	18.7	237,870	18.2	1.1
Fresh meats	791,972	62.9	826,710	63.4	4.4
Dairy products	36,194	2.9	38,963	3.0	7.7
Others	66,299	5.2	64,739	5.0	(2.4)
Total	1,259,792	100.0	1,303,432	100.0	3.5

Overview of Operating Segments

YoY results	Net sales			Business profit		
	Year ended March 31, 2024 (consolidated)	Increase (decrease) from the previous fiscal year	Rate of increase (decrease)from the previous year	Year ended March 31, 2024 (consolidated)	Increase (decrease) from the previous fiscal year	Rate of increase (decrease)from the previous year
	(millions of yen)	(millions of yen)	(%)	(millions of yen)	(millions of yen)	(%)
Processed Foods Business Division	431,233	13,495	3.2	9,730	4,712	93.9
Fresh Meats Business Division	780,596	30,487	4.1	34,026	4,944	17.0
Overseas Business Division	289,964	(31,465)	(9.8)	2,460	7,496	—
Others	23,866	6,814	40.0	1,920	2,403	—

(Processed Foods Business Division)

Net sales increased by 3.2% from the previous fiscal year to ¥431,233 million due to the penetration of price revisions in dairy products and extracts/primary processed items and the growth in sales volume of the main product “SCHAU ESSEN” by strengthening the branding. Business profit increased by 93.9% from the previous fiscal year to ¥9,730 million due to an improvement in the product mix and growth in sales of commercial-use products and dairy products and extracts/primary processed items, as well as the effects of price revisions in response to soaring raw material prices.

(Fresh Meats Business Division)

Net sales increased by 4.1% from the previous fiscal year to ¥780,596 million due to growth in sales of domestic chicken and pork to mass retailers and increased sales of beef in restaurant channels in line with increased inbound demand. Business profit increased by 17.0% to ¥34,026 million due to improved profitability in imported meats in line with the optimization of inventories, mainly for frozen products, and the achievement of profit from the steady market prices and demand for domestic chicken and pork.

(Overseas Business Division)

Net sales decreased by 9.8% from the previous fiscal year to ¥289,964 million, due to the transfer of shares of BPU and decline in the unit sales price of Australian beef. Business profit amounted to ¥2,460 million (business loss of ¥5,036 million for the previous fiscal year), due to lower cattle prices, an improvement in profitability resulting from an increase in sales volume in the beef business in Australia, and progress in the penetration of price passthrough to higher feed prices in the chicken business in Turkey.

(Others)

Net sales increased by 40.0% from the previous fiscal year to ¥23,866 million, due to higher visitor numbers since the opening of “Hokkaido Ballpark F Village” in the Ballpark Business, as well as the fact that the number of visitors exceeded the initial annual plan of 3 million with the staging of seasonal events on non-game days. Business profit amounted to ¥1,920 million (business loss of ¥483 million for the previous fiscal year), due to a significant improvement in profitability, including revenues from advertising, tickets and food and beverage, following the adoption of a new business model for the Ballpark Business.

(2) Overview of Financial Position

Total assets at the end of the fiscal year increased by 2.2% from the end of the previous fiscal year to ¥958,237 million. Current assets decreased by 1.1% from the end of the previous fiscal year to ¥423,430 million as assets held for sale decreased by 99.5% to ¥65 million due to the transfer of shares of BPU and other current assets decreased by 19.3% to ¥20,318 million, while trade and other receivables increased by 12.5% to ¥165,022 million because the end of the fiscal year was a holiday for financial institutions. Non-current assets increased by 5.0% from the end of the previous fiscal year to ¥534,807 million mainly because intangible assets and goodwill increased by 27.9% to ¥25,822 million, while deferred tax assets decreased by 9.7% to ¥28,072 million.

Total liabilities decreased by 3.5% from the end of the previous fiscal year to ¥419,035 million mainly because interest-bearing liabilities decreased by 11.2% to ¥214,852 million due to

improved capital efficiency resulting from the deployment of the cash management system to overseas subsidiaries, although trade and other payables increased by 10.1% to ¥116,773 million due to higher market prices and increased purchasing of inventory in response to a demand recovery.

Total equity attributable to owners of the parent increased by 7.0% from the end of the previous fiscal year to ¥527,503 million mainly because ¥28,078 million increase due to net income and ¥11,656 million increase relating to exchange differences on translation of foreign operations due to the weakening of the yen, although ¥11,275 million decrease due to cash dividends.

As a result, the equity ratio of owners of the parent increased by 2.4 percentage points from the end of previous fiscal year to 55.0%.

(3) Overview of Cash Flows

With regard to operating activities, profit before tax amounted to ¥40,599 million, depreciation and amortization expenses amounted to ¥39,719 million and the increase in trade and other payables amounted to ¥9,953 million, while the increase in trade and other receivables amounted to ¥17,599 million. As a result, net cash provided by operating activities amounted to ¥86,586 million.

With regard to investing activities, acquisition of fixed assets amounted to ¥48,479 million. As a result, net cash used in investing activities amounted to ¥39,224 million.

With regard to financing activities, the decrease in short-term bank loans amounted to ¥30,798 million and the repayments of debt amounted to ¥62,898 million, while proceeds from debt amounted to ¥51,230 million. As a result, net cash used in financing activities amounted to ¥53,189 million.

As a result, cash and cash equivalents at the end of the fiscal year increased by ¥479 million from the end of the previous fiscal year to ¥65,465 million.

(4) Future Outlook

The NH Foods Group has formulated a business plan for the three-year period from April 1, 2024 to March 31, 2027 (the 80th to 82nd fiscal terms) under the title of "Medium-Term Management Plan 2026".

*Please refer to "Notice of the NH Foods Group's Medium-Term Management Plan" released today, May 10, 2024.

For the year ending March 31, 2025, the first year of the "Medium-Term Management Plan 2026", we expect net sales to be ¥1,340 billion, mainly due to growth in the beef business in Australia and the processed foods business in North America in the Overseas Business.

With regard to profits, the Group forecasts operating income of ¥48.0 billion, income before income taxes of ¥40.0 billion, and net income attributable to owners of the parent of ¥27.0 billion, mainly due to the expansion of sales in the Overseas Business and the improvement in profitability by strengthening sales of high value-added products in the Fresh Meats Business.

Forecast of consolidated net sales

Category	Year ending March 31, 2025 (April 1, 2024-March 31, 2025)	Rate of increase (decrease) from the previous fiscal year
	(billions of yen)	(%)
Hams and sausages	136.0	0.6
Processed foods	246.0	3.4
Fresh meats	851.0	2.9
Dairy products	40.0	2.7
Others	67.0	3.5
Total	1,340.0	2.8

Forecast of segment sales and business profit

	Net sales		Business profit	
	Year ending March 31, 2025 (April 1, 2024-March 31, 2025)	Rate of increase (decrease) from the previous fiscal year	Year ending March 31, 2025 (April 1, 2024-March 31, 2025)	Rate of increase (decrease) from the previous fiscal year
	(billions of yen)	(%)	(billions of yen)	(%)
Processed Foods Business Division	429.0	(0.5)	10.5	7.9
Fresh Meats Business Division	785.0	0.6	35.5	4.3
Overseas Business Division	320.0	10.4	5.0	103.3
Ballpark Business	25.0	5.2	2.6	9.9

(Note) Ballpark business was previously included in the "Others", but will be presented independently in consideration of its growing importance.

(Processed Foods Business Division)

Although sales are expected to decline due to the impact of strategic product consolidation, we will improve its product mix and secure profits by focusing on highly profitable products, centered on “SCHAU ESSEN”, in addition to further strengthening the branding of main products.

(Fresh Meats Business Division)

We will work to increase profitability by expanding sales of domestic chicken, which is our earnings base, and Australian beef in restaurant channels, improving productivity in the production division, and strengthening sales of high-value-added products centered on imported beef.

(Overseas Business Division)

In the beef business in Australia, we will work to increase productivity by increasing the number of processed beef and expand sales of high-value-added brand products. In the processed food business in North America, we will promote top-line expansion by increasing the number of items, while working to improve profitability by stabilizing manufacturing.

(Ballpark Business)

Despite the increase in strengthening costs for the baseball team, we aim to secure profits at the same level as the current fiscal year, by targeting more than 3 million visitors in the next fiscal year, which is the second year of operation of “Hokkaido Ballpark F Village”.

Cautionary notice on information about the future:

The plans, forecast of operating results and other prospects for the future described in this brief statement of accounts are based on the information currently available to the Company and certain assumptions considered reasonable by the Company and are not contemplated to ensure the fulfillment thereof. The actual results in the future may materially differ from such plans and forecast, depending on various factors including risk factors in business. The Company, therefore, wishes to caution that readers should not place undue reliance on these descriptions to make investment decisions. Further, unless obligated by laws or ordinances or the rules of financial instruments exchanges, the Company will not necessarily, or is not obligated to, revise such descriptions about the future, including the forecast of business results notwithstanding any information or event in the future or any results arising therefrom, or publicize such revised information.

(5) Fundamental Policy of Profit Allocation and Dividends for the Year Ended March 31, 2024 and the Year Ending March 31, 2025

The Company considers the return of profits to shareholders to be an important management issue. With regard to the determination of the distribution of retained earnings, etc., it is the Company’s policy to pay dividends on a consistent basis. This is seen as part of the Company’s capital policy aimed at realizing an optimal capital and liability composition with the aim of improving medium- to long-term corporate value.

Recently, the Company formulated "Medium-Term Management Plan 2026", to create the value which shareholders required, establishing the cost of capital and optimal capital and liability composition anew, and the Company intends to increase efficiency of the invested capital consciously of the management.

Furthermore, to enhance the return of profits to shareholders, the Company revises its dividend policy as described below.

As dividend on equity ratio (DOE) is dividend policy of the Company currently, during "Medium-Term Management Plan 2026" period, the Company targets to improve DOE of a 3.0% level, and raising a payout ratio of 40% or above to distribute profits to enhance the return of profits to shareholders on a consistent basis.

The Company also considers debt to equity ratio (D/E ratio) as a structure optimal capital

and liability composition, to balance reducing cost of capital and maintaining creditworthiness for financing. Under this policy, the Company will acquire treasury stock in a flexible manner in terms of the most efficient level of equity maintained, and strive to enhance our corporate value.

Under the new dividend policy, the Company resolved to revise the year end dividend for the fiscal year ended March 31, 2024, dividends will be increased by ¥7 from ¥112 per share to ¥119 with DOE 2.4% and payout ratio of 43.5%.

For the year ending March 31, 2025, management plans to pay an ordinary dividend of ¥135 per share, on the assumption of the profit attributable to owners of the parent forecast of ¥27.0 billion.

*For details, please refer to “Notice of Revisions to the Dividend Policy and Distribution of Retained Earnings (Increase in Dividend)” released today, May 10, 2024.

2. Fundamental Approach to Selecting Accounting Standards

In order to enhance international comparability of financial information in the capital markets, the Group has voluntarily applied IFRS Accounting Standards from the first quarter of the year ended March 31, 2019.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Statements of Financial Position

(millions of yen)

	Year ended March 31, 2023 (as of March 31, 2023)	Year ended March 31, 2024 (as of March 31, 2024)
(Assets)		
Current Assets		
Cash and cash equivalents	64,986	65,465
Trade and other receivables	146,660	165,022
Inventories	141,930	141,429
Biological assets	27,984	25,420
Other financial assets	9,098	5,711
Other current assets	25,171	20,318
Assets held for sale	12,189	65
Total Current Assets	428,018	423,430
Non-current Assets		
Property, plant and equipment	364,381	375,211
Right-of-use assets	40,898	44,814
Biological assets	1,517	1,531
Intangible assets and goodwill	20,193	25,822
Investments accounted for using the equity method	9,087	9,835
Other financial assets	27,587	30,019
Deferred tax assets	31,082	28,072
Other non-current assets	14,392	19,503
Total Non-current Assets	509,137	534,807
Total Assets	937,155	958,237
(Liabilities and Equity)		
Current Liabilities		
Interest-bearing liabilities	102,199	59,247
Trade and other payables	106,027	116,773
Income taxes payable	1,795	7,143
Other financial liabilities	15,806	14,964
Other current liabilities	41,350	48,705
Liabilities directly associated with assets held for sale	11,359	—
Total Current Liabilities	278,536	246,832
Non-current Liabilities		
Interest-bearing liabilities	139,856	155,605
Retirement benefit liabilities	12,394	12,491
Other financial liabilities	1,108	1,184
Deferred tax liabilities	889	874
Other non-current liabilities	1,591	2,049
Total Non-current Liabilities	155,838	172,203
Total Liabilities	434,374	419,035

(millions of yen)

	Year ended March 31, 2023 (as of March 31, 2023)	Year ended March 31, 2024 (as of March 31, 2024)
Equity		
Common stock	36,294	36,294
Capital surplus	71,095	71,110
Retained earnings	369,389	390,305
Treasury stock, at cost	(2,057)	(1,403)
Accumulated other comprehensive income	17,193	31,197
Accumulated other comprehensive income of disposal groups classified as held for sale	999	—
Total Equity Attributable to Owners of the Parent	492,913	527,503
Non-controlling Interests	9,868	11,699
Total Equity	502,781	539,202
Total Liabilities and Equity	937,155	958,237

(Note) Breakdown of accumulated other comprehensive income

	Year ended March 31, 2023	Year ended March 31, 2024
Financial assets measured at fair value through other comprehensive income	6,469	8,817
Exchange differences on translation of foreign operations	10,724	22,380

(2) Consolidated Statements of Income

	(millions of yen)	
	Year ended March 31, 2023 (consolidated) (April 1, 2022 through March 31, 2023)	Year ended March 31, 2024 (consolidated) (April 1, 2023 through March 31, 2024)
Net Sales	1,259,792	1,303,432
Cost of Goods Sold	1,082,760	1,099,801
Selling, General and Administrative Expenses	166,080	172,074
Other Income	19,098	20,685
Other Expenses	12,191	12,010
Financial Income	3,360	3,219
Financial Costs	1,830	2,979
Share of Profit in Investments Accounted for Using the Equity Method	2,773	127
Profit before Tax	22,162	40,599
Income Tax Expense	4,770	11,253
Profit from Continuing Operations	17,392	29,346
Profit (loss) from Discontinued Operations	(1,416)	102
Profit	15,976	29,448
Profit Attributable to:		
Owners of the Parent		
Continuing Operations	18,053	27,976
Discontinued Operations	(1,416)	102
Total	16,637	28,078
Non-controlling Interests		
Continuing Operations	(661)	1,370
Discontinued Operations	—	—
Total	(661)	1,370
Profit	15,976	29,448

Earnings per Share		
Earnings per share (basic)	162.44 yen	273.70 yen
Continuing operations	176.27 yen	272.70 yen
Discontinued operations	(13.83) yen	1.00 yen
Earnings per share (diluted)	162.42 yen	— yen
Continuing operations	176.25 yen	— yen
Discontinued operations	(13.83) yen	— yen

(3) Consolidated Statements of Comprehensive Income

	(millions of yen)	
	Year ended March 31, 2023 (consolidated) (April 1, 2022 through March 31, 2023)	Year ended March 31, 2024 (consolidated) (April 1, 2023 through March 31, 2024)
Profit	15,976	29,448
Other Comprehensive Income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit plans	1,056	2,979
Financial assets measured at fair value through other comprehensive income	(1,937)	3,525
Share of other comprehensive income of investments accounted for using the equity method	—	(38)
Total	(881)	6,466
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	7,298	9,663
Share of other comprehensive income of investments accounted for using the equity method	660	1,177
Total	7,958	10,840
Total Other Comprehensive Income	7,077	17,306
Comprehensive Income	23,053	46,754
Comprehensive Income Attributable to:		
Owners of the Parent	23,659	45,196
Non-controlling Interests	(606)	1,558
Comprehensive Income	23,053	46,754

(4) Consolidated Statements of Changes in Equity

Year ended March 31, 2023 (consolidated) (April 1, 2022 through March 31, 2023)

(millions of yen)

	Equity attributable to owners of the parent										Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income				Accumulated other comprehensive income of disposal groups classified as held for sale	Total		
					Remeasurement of defined benefit plans	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Subtotal				
Balance as of April 1, 2022	36,294	71,272	360,900	(2,856)	—	9,639	3,820	13,459	—	479,069	10,485	489,554
Profit			16,637					—		16,637	(661)	15,976
Other comprehensive income					1,056	(1,937)	7,903	7,022		7,022	55	7,077
Comprehensive income	—	—	16,637	—	1,056	(1,937)	7,903	7,022	—	23,659	(606)	23,053
Dividends			(10,437)					—		(10,437)	(11)	(10,448)
Acquisition of treasury stock				(2)				—		(2)		(2)
Disposal of treasury stock		(174)		801				—		627		627
Share-based payment transactions		(3)						—		(3)		(3)
Transfer to accumulated other comprehensive income of disposal groups classified as held for sale							(999)	(999)	999	—		—
Transfer of accumulated other comprehensive income to retained earnings			2,289		(1,056)	(1,233)		(2,289)		—		—
Total transactions with owners	—	(177)	(8,148)	799	(1,056)	(1,233)	(999)	(3,288)	999	(9,815)	(11)	(9,826)
Balance as of March 31, 2023	36,294	71,095	369,389	(2,057)	—	6,469	10,724	17,193	999	492,913	9,868	502,781

Year ended March 31, 2024 (consolidated) (April 1, 2023 through March 31, 2024)

(millions of yen)

	Equity attributable to owners of the parent										Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income				Accumulated other comprehensive income of disposal groups classified as held for sale	Total		
					Remeasurement of defined benefit plans	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Subtotal				
Balance as of April 1, 2023	36,294	71,095	369,389	(2,057)	—	6,469	10,724	17,193	999	492,913	9,868	502,781
Profit			28,078					—		28,078	1,370	29,448
Other comprehensive income					2,979	3,482	11,656	18,117	(999)	17,118	188	17,306
Comprehensive income	—	—	28,078	—	2,979	3,482	11,656	18,117	(999)	45,196	1,558	46,754
Dividends			(11,275)					—		(11,275)	(50)	(11,325)
Acquisition of treasury stock				(6)				—		(6)		(6)
Disposal of treasury stock		(19)		660				—		641		641
Share-based payment transactions		34						—		34		34
Sale of subsidiaries								—		—	323	323
Transfer of accumulated other comprehensive income to retained earnings			4,113		(2,979)	(1,134)		(4,113)		—		—
Total transactions with owners	—	15	(7,162)	654	(2,979)	(1,134)	—	(4,113)	—	(10,606)	273	(10,333)
Balance as of March 31, 2024	36,294	71,110	390,305	(1,403)	—	8,817	22,380	31,197	—	527,503	11,699	539,202

(5) Consolidated Statements of Cash Flows

(millions of yen)

	Year ended March 31, 2023 (consolidated) (April 1, 2022 through March 31, 2023)	Year ended March 31, 2024 (consolidated) (April 1, 2023 through March 31, 2024)
Cash Flows from Operating Activities		
Profit before tax	22,162	40,599
Profit (loss) before tax from discontinued operations	(5,485)	223
Depreciation and amortization expense	38,433	39,719
Impairment losses (reversal of impairment losses)	1,840	1,481
Decrease (increase) in fair value of biological assets	1,027	3,121
Financial income and costs	(1,381)	(109)
Loss (gain) on sales of business	460	(1,132)
Decrease (increase) in trade and other receivables	(12,879)	(17,559)
Decrease (increase) in inventories	(24,451)	2,551
Decrease (increase) in biological assets	2,651	190
Decrease (increase) in other assets	(3,379)	(1,930)
Increase (decrease) in trade and other payables	5,913	9,953
Increase (decrease) in other liabilities	2,514	8,261
Others—net	(8,578)	3,230
Interest received	1,632	2,818
Dividends received	6,221	1,305
Interest paid	(1,811)	(2,107)
Income tax paid	(13,558)	(4,028)
Cash Flows from Operating Activities	11,331	86,586
Cash Flows from Investing Activities		
Acquisition of fixed assets	(82,261)	(48,479)
Proceeds from sales of fixed assets	2,095	1,697
Decrease (increase) in time deposits	1,152	5,126
Acquisition of other financial assets	(64)	(61)
Sale and redemption of other financial assets	4,645	2,665
Decrease (increase) in short-term loans receivable	9,994	—
Proceeds from government grants	951	2,525
Proceeds from sales of business	3,579	—
Payments for sales of business	(3,166)	(1,345)
Others—net	(602)	(1,352)
Cash Flows from Investing Activities	(63,677)	(39,224)
Cash Flows from Financing Activities		
Cash dividends	(10,448)	(11,325)
Increase (decrease) in short-term bank loans	36,504	(30,798)
Proceeds from debt	110,358	51,230
Repayments of debt	(108,594)	(62,898)
Acquisition of treasury stock	(2)	(6)
Proceeds from sales of treasury stock	599	608
Others—net	0	—
Cash Flows from Financing Activities	28,417	(53,189)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	2,476	3,996
Hyperinflation Adjustment	1,874	1,501
Increase (decrease) in Cash and Cash Equivalents Included in Assets Held for Sale	(809)	809
Net Increase (decrease) in Cash and Cash Equivalents	(20,388)	479
Cash and Cash Equivalents at the Beginning of the Year	85,374	64,986
Cash and Cash Equivalents at the End of the Year	64,986	65,465

(6) Note on the Premises of a Going Concern

Not applicable.

(7) Significant Matters Forming the Basis for Preparing Consolidated Financial Statements

Matters concerning the scope of consolidation and application of the equity method

Number of consolidated subsidiaries: 64 companies

Number of equity-method companies: 7 companies

(8) Notes to Consolidated Financial Statements

1. Segment information

Information regarding the reportable segments

The Group categorizes the business into the following three reportable segments according to the nature of products and services as well as the geographical areas where it sells products or provides services, by which the Group manages its operations.

Processed Foods Business Division	—	Mainly domestic production and sales of hams and sausages, processed foods, and dairy products
Fresh Meats Business Division	—	Mainly domestic production and sales of fresh meats
Overseas Business Division	—	Mainly production and sales of hams and sausages, processed foods and fresh meats at overseas subsidiaries and associates

The Company has classified the beef business relating to BPU as discontinued operations from the year ended March 31, 2023. However, the Overseas Business Division in the reportable segments includes beef business that has been classified as discontinued operation.

For the year ended March 31, 2023 (April 1, 2022 through March 31, 2023)

(millions of yen)

	Processed Foods Business Division	Fresh Meats Business Division	Overseas Business Division	Others	Total	Eliminations, adjustments and others	Consolidated (before adjustment for discontinued operations)	Transfer to discontinued operations	Consolidated (after adjustment for discontinued operations)
Net sales									
Sales to external customers	390,397	685,332	186,449	13,818	1,275,996	13,999	1,289,995	(30,203)	1,259,792
Intersegment sales	27,341	64,777	134,980	3,234	230,332	(230,332)	—	—	—
Total	417,738	750,109	321,429	17,052	1,506,328	(216,333)	1,289,995	(30,203)	1,259,792
Segment profit (loss)	5,018	29,082	(5,036)	(483)	28,581	(2,985)	25,596	2,595	28,191
Segment assets	278,588	410,977	162,728	75,469	927,762	9,393	937,155	—	937,155
Other items									
Depreciation and amortization	12,234	9,157	4,076	709	26,176	12,203	38,379	(664)	37,715
Capital expenditures	10,730	19,273	4,000	20,619	54,622	12,897	67,519	(360)	67,159
Investments accounted for using the equity method	280	442	8,365	—	9,087	—	9,087	—	9,087

For the year ended March 31, 2024 (April 1, 2023 through March 31, 2024)

(millions of yen)

	Processed Foods Business Division	Fresh Meats Business Division	Overseas Business Division	Others	Total	Eliminations, adjustments and others	Consolidated (before adjustment for discontinued operations)	Transfer to discontinued operations	Consolidated (after adjustment for discontinued operations)
Net sales									
Sales to external customers	402,029	719,861	167,985	20,664	1,310,539	3,516	1,314,055	(10,623)	1,303,432
Intersegment sales	29,204	60,735	121,979	3,202	215,120	(215,120)	—	—	—
Total	431,233	780,596	289,964	23,866	1,525,659	(211,604)	1,314,055	(10,623)	1,303,432
Segment profit	9,730	34,026	2,460	1,920	48,136	(3,197)	44,939	958	45,897
Segment assets	281,634	422,583	168,887	75,744	948,848	9,389	958,237	—	958,237
Other items									
Depreciation and amortization	12,389	9,013	3,720	2,202	27,324	12,337	39,661	—	39,661
Capital expenditures	9,793	25,896	7,199	777	43,665	17,274	60,939	(90)	60,849
Investments accounted for using the equity method	281	96	9,121	337	9,835	—	9,835	—	9,835

- (Notes)
1. “Others” refers to operating segments not included in the reportable segments, such as the Ballpark Business and New Business. The Ballpark Business encompasses the operation of the professional baseball team and ballpark.
 2. “Eliminations, adjustments and others” includes unallocated items and intersegment eliminations.

3. Except for a few unallocated items, corporate overhead expenses and profit or loss of certain subsidiaries are allocated to each reportable operating segment. These subsidiaries provide indirect services and operational support for the Group included in each reportable operating segment.
4. “Segment profit (loss)” is calculated by deducting cost of goods sold and selling, general and administrative expenses from net sales, and accounting for foreign exchange gains and losses determined by the Group, while deducting adjustments in accordance with IFRS Accounting Standards and non-recurring items.
5. “Segment assets” included in “Eliminations, adjustments and others” mainly consist of adjustments to right-of-use assets and others in accordance with IFRS Accounting Standards, cash and cash equivalents of the parent company, and investment securities.
6. “Depreciation and amortization” represents depreciation and amortization expenses for property, plant and equipment, right-of-use assets, and intangible assets. “Depreciation and amortization” in each reportable segment does not include depreciation and amortization expenses included in corporate overhead expenses and profit or loss of certain subsidiaries stated in Note 3.
7. “Capital expenditures” represent increases in property, plant and equipment, right-of-use assets, and intangible assets.
8. The amounts of net sales, profits, and losses, and capital expenditures of BPU included in the Overseas Business Division have been reclassified to “Transfer to discontinued operations.”

2. Per share information

1) Basic earnings per share

	Year ended March 31, 2023 (April 1, 2022 through March 31, 2023)	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)
Basic earnings per share (yen)	162.44	273.70
Continuing operations	176.27	272.70
Discontinued operations	(13.83)	1.00
Basis for calculation:		
Profit attributable to owners of the parent (millions of yen)	16,637	28,078
Amount not attributable to owners of the parent (millions of yen)	—	—
Profit used in the calculation of basic earnings per share (millions of yen)	16,637	28,078
Continuing operations	18,053	27,976
Discontinued operations	(1,416)	102
Weighted-average number of shares of common stock (thousands of shares)	102,419	102,588

2) Diluted earnings per share

	Year ended March 31, 2023 (April 1, 2022 through March 31, 2023)	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)
Diluted earnings per share (yen)	162.42	—
Continuing operations	176.25	—
Discontinued operations	(13.83)	—
Basis for calculation:		
Profit used in the calculation of basic earnings per share (millions of yen)	16,637	—
Adjustment to profit (millions of yen)	—	—
Profit used in the calculation of diluted earnings per share (millions of yen)	16,637	—
Continuing operations	18,053	—
Discontinued operations	(1,416)	—
Weighted-average number of shares of common stock used in the calculation of basic earnings per share (thousands of shares)	102,419	—
Dilutive effect of stock options granted (thousands of shares)	10	—
Weighted-average number of shares of common stock used in the calculation of diluted earnings per share (thousands of shares)	102,429	—

(Note) In determining basic earnings per share and diluted earnings per share, the shares of the Company held by the Board Incentive Plan Trust and the shares of the Company held by NH Foods Group Employee Shareholding Association Trust are accounted for as treasury stock. Accordingly, the number of these shares is deducted in determining the weighted-average number of shares.

(Note) Diluted earnings per share for the year ended March 31, 2024 is not presented because there are no dilutive potential shares.

3. Note on discontinued operations

(1) Transfer of shares of The Marine Foods Corporation

1) Overview of discontinued operations

The Company, at the meeting of its Board of Directors held on February 9, 2022, determined to transfer all of its shares and related assets of its consolidated subsidiary, The Marine Foods Corporation (“Marine Foods”), to Sojitz Corporation, and the share transfer was completed on March 31, 2022.

As a result, the marine products business relating to Marine Foods has been classified as discontinued operations from the year ended March 31, 2022.

2) Name and nature of business of the subsidiary and the segment that included the divested business

Name of the subsidiary	The Marine Foods Corporation
Nature of business	Manufacturing and sale of processed marine food products and import and sale of marine raw materials
Applicable segment	Processed Foods Business Division

3) Number of shares sold and percentage of ownership after the sale

Number of shares owned before the sale	22,666,000 shares (Number of voting rights: 22,666,000) (Percentage of voting rights held: 100.0%)
Number of shares sold	22,666,000 shares (Number of voting rights: 22,666,000)
Percentage of ownership after the sale	— share (Number of voting rights: —) (Percentage of voting rights held: — %)

4) Profit (loss) from discontinued operations

Details of profit (loss) from discontinued operations are as follows.

(millions of yen)

	Year ended March 31, 2023 (April 1, 2022 through March 31, 2023)	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)
Net sales	—	—
Gain (loss) on sales of business (Note)	(408)	—
Other profit (loss)	—	—
Loss before tax from discontinued operations	(408)	—
Income tax expense	127	—
Loss from discontinued operations	(281)	—

(Notes) Gain (loss) on sales of business classified as discontinued operations in the year ended March 31, 2023 was due to an adjustment to the transfer price of the shares of Marine Foods held by the Company pursuant to the share transfer agreement.

(2) Transfer of shares of BPU

1) Overview of discontinued operations

The Company, at the meeting of its Board of Directors held on January 31, 2023, determined

to transfer all of its shares of its consolidated subsidiary, BPU, to Minerva S.A., and the share transfer was completed on August 31, 2023

As a result, the beef business relating to BPU has been reclassified as discontinued operations from the fourth quarter of the year ended March 31, 2023.

- 2) Name and nature of business of the subsidiary and the segment that included the divested business

Name of the subsidiary	Breeders & Packers Uruguay S.A.
Nature of business	Meat processing and sales (beef)
Applicable segment	Overseas Business Division

- 3) Number of shares sold and percentage of ownership after the sale

Number of shares owned before the sale	1,797,343,133 shares (Number of voting rights: 1,797,343,133) (Percentage of voting rights held: 100.0%)
Number of shares sold	1,797,343,133 shares (Number of voting rights: 1,797,343,133)
Percentage of ownership after the sale	— share (Number of voting rights: —) (Percentage of voting rights held: — %)

- 4) Profit (loss) from discontinued operations

Details of profit (loss) from discontinued operations are as follows.

(millions of yen)

	Year ended March 31, 2023 (April 1, 2022 through March 31, 2023)	Year ended March 31, 2024 (April 1, 2023 through March 31, 2024)
Net sales	30,203	10,623
Profit (loss) recognized on the measurement to fair value less costs to sell of a disposal group constituting the discontinued operation	(2,449)	1,251
Other profit (loss)	(32,831)	(11,651)
Profit (loss) before tax from discontinued operations	(5,077)	223
Income tax expense	3,942	(121)
Profit (loss) from discontinued operations	(1,135)	102

(Note) Income tax expense for the year ended March 31, 2023 includes ¥3,916 million of deferred tax assets for temporary differences, arising from gains and losses recognized in prior years on investment in BPU and loss recognized on the measurement to fair value less costs to sell of a disposal group constituting the discontinued operation, etc.

4. Significant subsequent events

Not applicable.