

**BRIEF STATEMENT OF ACCOUNTS**  
**FOR THE THIRD QUARTER OF THE YEAR ENDING MARCH 31, 2021**  
(Under IFRS) (Consolidated)

Name of listed company:	NH Foods Ltd. (the “Company”)
Listing exchange:	Tokyo Stock Exchange
Code number:	2282
URL:	<a href="https://www.nipponham.co.jp/eng/">https://www.nipponham.co.jp/eng/</a>
Representative:	Yoshihide Hata President and Representative Director
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Scheduled date of filing of quarterly report:	February 8, 2021
Scheduled date of payment of dividends:	-
Preparation of supplementary information on quarterly statement of accounts:	Yes
Holding of quarterly 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 third quarter of the year ending March 31, 2021 (April 1, 2020 through December 31, 2020):

### (1) Consolidated operating results (accumulated):

(The percentages indicate the rates of increase (decrease) from the third quarter of 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)	%
Third quarter of the year ending March 31, 2021	902,988	(5.2)	43,914	11.9	44,370	32.8	27,691	15.2	28,511	19.2	29,779	17.7
Third quarter of the year ended March 31, 2020	952,306	(0.2)	39,239	10.6	33,400	(3.7)	24,036	0.6	23,927	(0.5)	25,308	27.0

(yen)

	Earnings per share (basic)	Earnings per share (diluted)
Third quarter of the year ending March 31, 2021	277.57	277.50
Third quarter of the year ended March 31, 2020	232.52	232.43

(Note) 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 excluding adjustments in accordance with IFRS and non-recurring items.

### (2) Consolidated financial position:

	Total assets	Total equity	Total equity attributable to owners of the parent	Equity ratio of owners of the parent
	(millions of yen)	(millions of yen)	(millions of yen)	(%)
Third quarter of the year ending March 31, 2021	827,019	433,610	422,262	51.1
Year ended March 31, 2020	768,861	416,597	404,414	52.6

## 2. State of dividends:

(yen)

	Annual dividend				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
Year ended March 31, 2020	—	—	—	90.00	90.00
Year ending March 31, 2021	—	—	—		
Year ending March 31, 2021 (forecast)				91.00	91.00

(Note) Adjustment to the most recently publicized forecast of dividends: None

## 3. Forecast of consolidated business results for the year ending March 31, 2021 (April 1, 2020 through March 31, 2021):

(The percentages indicate the rates of increase (decrease) from the previous fiscal year for the whole-year period.)

	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)
Whole-year period	1,180,000	(4.1)	48,000	9.7	39,000	44.2	26,000	35.3	254.55

(Note) Adjustment to the most recently publicized forecast of business results: Yes

In consideration of the recent developments of its business results, the Company has made adjustments to the forecasts of consolidated business results and non-consolidated business results for the whole-year period of the fiscal year ending March 31, 2021. For details, please refer to “Notice of the Adjustment to the Forecast of Business Results” released today, February 1, 2021.

### \* Notes:

- (1) Changes in significant subsidiaries (changes in specific subsidiaries involving a change in the scope of consolidation) during the period under review: None

New subsidiaries: - (Name: ) Excluded subsidiaries: - (Name: )

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

- 1) Changes of accounting policies required by IFRS: 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 period:
 

Third quarter of the year ending March 31, 2021:	102,958,904 shares
Year ended March 31, 2020:	102,958,904 shares
- 2) Number of shares of treasury stock as of the end of the period:
 

Third quarter of the year ending March 31, 2021:	819,708 shares
Year ended March 31, 2020:	39,542 shares

- 3) Average number of shares outstanding during the period:  
Third quarter of the year ending March 31, 2021: 102,712,930 shares  
Third quarter of the year ended March 31, 2020: 102,913,791 shares

(Note) The number of shares of treasury stock as of the end of the period includes the number of the Company's shares (141,500 shares for the third quarter of the year ending March 31, 2021) 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 period 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 period includes the number of the Company's shares (642,800 shares for the third quarter of the year ending March 31, 2021) held by the NH Foods Group Employee Shareholding Association Dedicated Trust Account (the "Trust Account") 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 period includes the number of the Company's shares held by the Trust Account.

\* A brief statement of accounts for a quarter is not subject to quarterly review.

\* 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 result 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. Qualitative Information on the Statements of Accounts for the Third Quarter of the Fiscal Year under Review: (3) Explanation on the Forward-looking Information such as Forecast of Consolidated Business Results" on page 9.

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\* The Company is planning to hold a web conference for institutional investors and analysts on Monday, February 1, 2021. All materials to be used at the conference will be disclosed on TDnet and posted on its website today.

\* 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. Qualitative Information on the Statement of Accounts for the Third Quarter of the Fiscal Year under Review

(1) Explanation on the Operating Results

Overview of Operating Results in General

Although the Japanese economy during the third quarter of the fiscal year under review showed some indications of a recovery owing to the effects of various policies and improvement in overseas economies, the situation remains unpredictable, with the declaration of another state of emergency due to the spread of COVID-19.

In the food and fresh meats industry, demand for consumer products grew due to rising demand for dining at home and special demand for food stockpiling after the declaration of a state of emergency in April 2020 while commercial-use products continue to struggle due to sluggish demand for dining out. There are concerns that this situation will take longer owing to the declaration of another state of emergency from January 2021.

Under these circumstances, NH Foods Ltd. and its subsidiaries (the “Group”), under the “Medium-Term Management Plan 2020” that commenced in April 2018 with the theme “Building systems that pave the way to the future,” conducted business development based on its five management policies “Strengthen profitability by improving the efficiency of existing businesses,” “Create value through dialog with consumers,” “Enhance and develop technological capabilities for conceptualizing and realizing the future of food,” “Change gears in overseas market deployment,” and “Pursue sustainability.” Specifically, the Group maintained a stable supply system in response to the increased demand for home meals resulting from the impact of COVID-19, while engaging in initiatives such as those to implement a new business talk style and promotions corresponding to the new normal, provide new products such as those in a large bag with a zipper, and revise sales structures to target growing demand from mass retailers. In overseas operations, the Group continued to implement measures to minimize the impact of COVID-19, and work to secure suppliers to ensure a stable supply to Japan.

As a result of these activities, for the third quarter of the fiscal year under review on a consolidated and cumulative basis, net sales decreased by 5.2% from the same period of the previous fiscal year to ¥902,988 million. Business profit increased by 11.9% to ¥43,914 million, and profit before tax increased by 32.8% to ¥44,370 million, due to factors including additional special payments, and other expenses of ¥8,472 million recorded as other expenses in the second quarter of the previous fiscal year in relation to the expansion of the optional retirement system, despite impairment losses on investment and intangible assets in Panus Poultry Group Co., Ltd. of ¥7,076 million recorded as other expenses and share of profit in investments accounted for using the equity method during the third quarter of the fiscal year under review on a consolidated and cumulative basis. Profit attributable to owners of the parent increased by 19.2% to ¥28,511 million, compared to the same period of the previous fiscal year.

Overview of Operating Segments

As of April 1, 2020, the Company changed the name of the “Affiliated Business Division” to the “Dairy and Marine Products Division” and integrated it into the Processed Foods Business Division.

(Processed Foods Business Division)

In the hams and sausages business, as the sales of the main product “*SCHAU ESSEN*” were strong despite decreased sales to major convenience store and restaurant channels, and the overall sales of the hams and sausages business were higher than that of the same period of the previous year. Meanwhile, for the year-end gift market, although the re-released “*HONKAKUHA*” performed strongly, sales decreased from the same period of the previous fiscal year, mainly due to the impact of a more subdued market overall.

In the processed foods business, sales of the pizza group, including the “*Ishigama Kobo*,” the One-Cook group, including the “*Chuka Meisai*” with a new TV commercial featuring famous celebrities, and the shelf-stable product group, increased year on year. However, for the commercial-use products, the sales of processed extracts to ramen shops and the sales to restaurant channels such as izakaya chains declined. Consequently, the overall sales of the processed foods business decreased from the same period of the previous fiscal year.

In the dairy products business, sales of yogurt and lactic acid probiotic beverages including the main product “*Vanilla Yogurt*” remained strong, but were insufficient to cover a slump in sales of commercial-use cheese to mainstay breadmaking routes and restaurant channels. As a result, the overall sales of the dairy products business were lower than that of the same period of the previous year.

In the marine products business, we worked to expand sales of sushi toppings and high-priced products such as crabs for the year end, and sales to mass retailer channels grew, while sales to restaurant channels including sushi restaurants were sluggish. As a consequence, the overall sales of the marine products business were lower than that of the same period of the previous year.

In the overall sales of the Processed Foods Business Division, sales of the consumer products increased year on year due to rising demand for dining at home resulting from the impact of COVID-19, while sales of the commercial-use products decreased year on year owing to the sluggish demand for dining out. Consequently, the overall sales of the Processed Foods Business Division were lower than that of the same period of the previous year.

In terms of profit, increase in profit was achieved mainly due to the improved gross profit rate that resulted from unit sales prices rising along with the growth of the mainstay brand products, as well as cost reduction mainly in selling, general and administrative expenses.

As a result, for the third quarter of the fiscal year under review on a consolidated and cumulative basis, net sales of the Processed Foods Business Division decreased by 1.9% from the same period of the previous fiscal year to ¥404,052 million, and business profit increased by 24.4% from the same period of the previous fiscal year to ¥15,974 million.

(Fresh Meats Business Division)

In the fresh meats business, amid the continuing impact of COVID-19, sales to mass retailers increased steadily, while sales to channels other than mass retailers were greatly affected by the demand recovery gap depending on the region and business category. As a result, sales volumes of domestic chicken and domestic pork to mass retailers increased. However, due to sluggish sales of imported meats and other products for restaurants and

wholesalers as well as decreased procurement volumes of Australian beef, overall sales were consequently lower year on year.

In terms of profit, profit of the production division increased due to the steady market prices of domestic chicken and domestic pork as well as improvement of the productivity of domestic chicken. In the sales division, we worked to maximize procurement and supply capabilities of the Group by effectively taking advantage of internal and external procurement, in response to daily changing market conditions due to the impact of COVID-19. For mass retailers, we flexibly responded and provided products for one person or in smaller packages, for which demand increased due to COVID-19. In the sales of imported meats, we proactively proposed imported chicken as a substitute for domestic chicken in high demand. Meanwhile, in the business of imported offal, of which overseas production declined, we made efforts to increase sales opportunities by ensuring a stable supply by utilizing procurement capabilities of the Group. Due to these efforts, profit was higher year on year.

As a result, for the third quarter of the fiscal year under review on a consolidated and cumulative basis, net sales of the Fresh Meats Business Division decreased by 3.4% from the same period of the previous fiscal year to ¥562,295 million, and business profit increased by 33.4% from the same period of the previous fiscal year to ¥32,294 million.

(Overseas Business Division)

In Asia and Europe operations, net sales were lower than that of the same period of the previous year as sales volumes continued to decline in Thailand and the slump in demand continued due to COVID-19 in Vietnam and Turkey. In Americas operations, net sales were higher year on year due to smooth progress in pork export volumes and processed food sales volumes to mass retailers in the U.S., and smooth progress in export volumes for pork in Chile. In Australia operations, net sales were lower than that of the same period of the previous year due to continued decreases in the number of collected cattle and in demand from China, as well as a decrease in sales volume to China in Uruguay.

In terms of profit, profit of Asia and Europe operations was lower year on year, mainly due to a continued decrease in production volume in Thailand, as well as continued low unit sales prices and high feed prices in Turkey. Profit of Americas operations was higher year on year due to the strong sales volume of processed foods in the U.S. Profit of Australia operations was lower year on year, as the cattle collection environment remained weak with the persistence of high cattle collection prices and a decline in the number of collected cattle, and sales prices remained low, particularly to China.

As a result, for the third quarter of the fiscal year under review on a consolidated and cumulative basis, net sales of the Overseas Business Division decreased by 14.1% year on year to ¥169,971 million, and business profit decreased by 88.9% from the same period of the previous fiscal year to ¥337 million.



(2) Explanation on the Financial Position

<Financial position>

At the end of the third quarter of the fiscal year under review, total assets increased by 7.6% from the end of the previous fiscal year to ¥827,019 million, as trade and other receivables and property, plant and equipment increased by ¥48,858 million and ¥26,140 million, respectively, although cash and cash equivalents and inventories decreased by ¥8,563 million and ¥7,489 million, respectively. Liabilities increased by 11.7% from the end of the previous fiscal year to stand at ¥393,409 million, as interest-bearing liabilities and trade and other payables increased by ¥23,500 million and ¥19,706 million, respectively, although other current liabilities decreased by ¥6,669 million. Interest-bearing liabilities stood at ¥199,993 million.

Total equity attributable to owners of the parent increased by ¥17,848 million from the end of the previous fiscal year to ¥422,262 million, and the equity ratio of owners of the parent decreased by 1.5 percentage points from the end of the previous fiscal year to 51.1%.

<Cash flows>

With regard to operating activities, the increase in trade and other receivables amounted to ¥48,547 million, and income tax paid amounted to ¥10,196 million, while profit before tax amounted to ¥44,370 million, depreciation and amortization expense amounted to ¥25,448 million, and the increase in trade and other payables amounted to ¥19,784 million. As a result, net cash provided by operating activities amounted to ¥34,724 million.

With regard to investing activities, acquisition of fixed assets amounted to ¥44,698 million. As a result, net cash used in investing activities amounted to ¥44,064 million.

With regard to financing activities, cash dividends amounted to ¥9,268 million, the decrease in short-term bank loans amounted to ¥6,528 million, and repayments of debt amounted to ¥28,526 million, while proceeds from debt amounted to ¥48,683 million. As a result, net cash provided by financing activities amounted to ¥809 million.

As a result, cash and cash equivalents at end of the third quarter of the fiscal year under review decreased by ¥8,563 million from the end of the previous fiscal year to ¥63,836 million.

(3) Explanation on the Forward-looking Information such as Forecast of Consolidated Business Results

In consideration of the recent developments of its business results, the Company has made adjustments to the forecasts of consolidated business results and non-consolidated business results for the whole-year period of the fiscal year ending March 31, 2021. For details, please refer to “Notice of the Adjustment to the Forecast of Business Results” released today, February 1, 2021.

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 result arising therefrom, or publicize such revised information.

## 2. Condensed Consolidated Financial Statements and Primary Notes

### (1) Condensed Consolidated Statements of Financial Position

(millions of yen)

	Year ended March 31, 2020  (as of March 31, 2020)	Third quarter of the year ending March 31, 2021  (as of December 31, 2020)
<b>(Assets)</b>		
<b>Current Assets</b>		
Cash and cash equivalents	72,399	63,836
Trade and other receivables	130,213	179,071
Inventories	114,520	107,031
Biological assets	21,335	24,118
Other financial assets	11,701	11,298
Other current assets	5,583	8,217
Total Current Assets	355,751	393,571
<b>Non-current Assets</b>		
Property, plant and equipment	284,060	310,200
Right-of-use assets	35,545	35,886
Biological assets	1,883	1,773
Intangible assets and goodwill	8,953	9,846
Investments accounted for using the equity method	13,910	8,197
Other financial assets	32,647	34,471
Deferred tax assets	29,745	25,158
Other non-current assets	6,367	7,917
Total Non-current Assets	413,110	433,448
Total Assets	768,861	827,019
<b>(Liabilities and Equity)</b>		
<b>Current Liabilities</b>		
Interest-bearing liabilities	55,924	76,752
Trade and other payables	99,802	119,508
Income taxes payable	3,178	6,029
Other financial liabilities	18,877	19,718
Other current liabilities	35,966	29,297
Total Current Liabilities	213,747	251,304
<b>Non-current Liabilities</b>		
Interest-bearing liabilities	120,569	123,241
Retirement benefit liabilities	14,920	15,742
Other financial liabilities	719	696
Deferred tax liabilities	732	769
Other non-current liabilities	1,577	1,657
Total Non-current Liabilities	138,517	142,105
Total Liabilities	352,264	393,409

(millions of yen)

	Year ended March 31, 2020  (as of March 31, 2020)	Third quarter of the year ending March 31, 2021  (as of December 31, 2020)
Equity		
Common stock	36,294	36,294
Capital surplus	72,639	72,672
Retained earnings	294,018	313,047
Treasury stock, at cost	(173)	(3,688)
Accumulated other comprehensive income	1,636	3,937
Total Equity Attributable to Owners of the Parent	404,414	422,262
Non-controlling Interests	12,183	11,348
Total Equity	416,597	433,610
Total Liabilities and Equity	768,861	827,019

(Note) Breakdown of accumulated other comprehensive income

	Year ended March 31, 2020	Third quarter of the year ending March 31, 2021
Financial assets measured at fair value through other comprehensive income	7,178	8,961
Exchange differences on translation of foreign operations	(5,542)	(5,024)

(2) Condensed Consolidated Statements of Income  
[Cumulative third quarter]

(millions of yen)

	Cumulative third quarter of the year ended March 31, 2020 (consolidated) (April 1, 2019 through December 31, 2019)	Cumulative third quarter of the year ending March 31, 2021 (consolidated) (April 1, 2020 through December 31, 2020)
Net Sales	952,306	902,988
Cost of Goods Sold	788,663	735,006
Selling, General and Administrative Expenses	122,860	120,048
Other Income	3,434	2,773
Other Expenses	10,444	7,587
Financial Income	1,102	1,410
Financial Costs	2,298	1,121
Share of Profit in Investments Accounted for Using the Equity Method	823	961
Profit before Tax	33,400	44,370
Income Tax Expense	9,364	16,679
Profit	24,036	27,691
Profit Attributable to:		
Owners of the Parent	23,927	28,511
Non-controlling Interests	109	(820)
Profit	24,036	27,691

Earnings per Share		
Earnings per share (basic)	232.52 yen	277.57 yen
Earnings per share (diluted)	232.43 yen	277.50 yen

[Third quarter]

(millions of yen)

	Third quarter of the year ended March 31, 2020 (consolidated) (October 1, 2019 through December 31, 2019)	Third quarter of the year ending March 31, 2021 (consolidated) (October 1, 2020 through December 31, 2020)
Net sales	336,040	329,504
Cost of Goods Sold	277,035	265,610
Selling, General and Administrative Expenses	41,699	41,857
Other Income	1,894	892
Other Expenses	965	6,363
Financial Income	374	468
Financial Costs	708	47
Share of Profit (Loss) in Investments Accounted for Using the Equity Method	536	(1,347)
Profit before Tax	18,437	15,640
Income Tax Expense	4,895	6,763
Profit	13,542	8,877
Profit Attributable to:		
Owners of the Parent	13,596	9,035
Non-controlling Interests	(54)	(158)
Profit	13,542	8,877

Earnings per Share		
Earnings per share (basic)	132.13 yen	88.24 yen
Earnings per share (diluted)	132.08 yen	88.21 yen

(3) Condensed Consolidated Statements of Comprehensive Income  
[Cumulative third quarter]

(millions of yen)

	Cumulative third quarter of the year ended March 31, 2020 (consolidated) (April 1, 2019 through December 31, 2019)	Cumulative third quarter of the year ending March 31, 2021 (consolidated) (April 1, 2020 through December 31, 2020)
Profit	24,036	27,691
Other Comprehensive Income		
Items that will not be reclassified subsequently to profit or loss		
Financial assets measured at fair value through other comprehensive income	1,629	1,570
Total	1,629	1,570
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(594)	457
Share of other comprehensive income of investments accounted for using the equity method	237	61
Total	(357)	518
Total Other Comprehensive Income	1,272	2,088
Comprehensive Income	25,308	29,779
Comprehensive Income Attributable to:		
Owners of the Parent	25,306	30,593
Non-controlling Interests	2	(814)
Comprehensive Income	25,308	29,779

[Third quarter]

(millions of yen)

	Third quarter of the year ended March 31, 2020 (consolidated) (October 1, 2019 through December 31, 2019)	Third quarter of the year ending March 31, 2021 (consolidated) (October 1, 2020 through December 31, 2020)
Profit	13,542	8,877
Other Comprehensive Income		
Items that will not be reclassified subsequently to profit or loss		
Financial assets measured at fair value through other comprehensive income	1,952	(150)
Total	1,952	(150)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	1,417	125
Share of other comprehensive income of investments accounted for using the equity method	304	222
Total	1,721	347
Total Other Comprehensive Income	3,673	197
Comprehensive Income	17,215	9,074
Comprehensive Income Attributable to:		
Owners of the Parent	17,241	9,174
Non-controlling Interests	(26)	(100)
Comprehensive Income	17,215	9,074



(4) Condensed Consolidated Statements of Changes in Equity

Consolidated cumulative third quarter of the year ended March 31, 2020 (April 1, 2019 through December 31, 2019)

(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				Total		
					Remeasurement of defined benefit plans	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Total			
Balance as of April 1, 2019	36,294	72,672	286,934	(202)	—	6,980	(1,664)	5,316	401,014	4,344	405,358
Profit			23,927					—	23,927	109	24,036
Other comprehensive income						1,629	(250)	1,379	1,379	(107)	1,272
Comprehensive income	—	—	23,927	—	—	1,629	(250)	1,379	25,306	2	25,308
Dividends			(9,262)					—	(9,262)	(9)	(9,271)
Acquisition of treasury stock				(4)				—	(4)	—	(4)
Disposal of treasury stock		(13)		13				—	0	—	0
Capital increase of subsidiaries								—	—	557	557
Establishment of subsidiaries								—	—	4,106	4,106
Other			(675)					—	(675)	—	(675)
Transfer of accumulated other comprehensive income to retained earnings			2			(2)		(2)	—	—	—
Total transactions with owners	—	(13)	(9,935)	9	—	(2)	—	(2)	(9,941)	4,654	(5,287)
Balance as of December 31, 2019	36,294	72,659	300,926	(193)	—	8,607	(1,914)	6,693	416,379	9,000	425,379

Consolidated cumulative third quarter of the year ending March 31, 2021 (April 1, 2020 through December 31, 2020)

(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				Total		
					Remeasurement of defined benefit plans	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Total			
Balance as of April 1, 2020	36,294	72,639	294,018	(173)	—	7,178	(5,542)	1,636	404,414	12,183	416,597
Profit			28,511					—	28,511	(820)	27,691
Other comprehensive income						1,564	518	2,082	2,082	6	2,088
Comprehensive income	—	—	28,511	—	—	1,564	518	2,082	30,593	(814)	29,779
Dividends			(9,263)					—	(9,263)	(6)	(9,269)
Acquisition of treasury stock		(3)		(3,564)				—	(3,567)	—	(3,567)
Disposal of treasury stock		(20)		49				—	29	—	29
Share-based payment transactions		55						—	55	—	55
Establishment of subsidiaries								—	—	2	2
Other		1						—	1	(17)	(16)
Transfer of accumulated other comprehensive income to retained earnings			(219)			219		219	—	—	—
Total transactions with owners	—	33	(9,482)	(3,515)	—	219	—	219	(12,745)	(21)	(12,766)
Balance as of December 31, 2020	36,294	72,672	313,047	(3,688)	—	8,961	(5,024)	3,937	422,262	11,348	433,610

(5) Condensed Consolidated Statements of Cash Flows

(millions of yen)

	Cumulative third quarter of the year ended March 31, 2020 (April 1, 2019 through December 31, 2019)	Cumulative third quarter of the year ending March 31, 2021 (April 1, 2020 through December 31, 2020)
<b>Cash Flows from Operating Activities</b>		
Profit before tax	33,400	44,370
Depreciation and amortization expense	24,793	25,448
Impairment losses	422	5,883
Decrease (increase) in fair value of biological assets	(442)	(1,046)
Financial income and costs	1,196	(289)
Decrease (increase) in trade and other receivables	(32,441)	(48,547)
Decrease (increase) in inventories	(3,673)	7,872
Decrease (increase) in biological assets	342	(541)
Decrease (increase) in other assets	379	(4,184)
Increase (decrease) in trade and other payables	14,554	19,784
Increase (decrease) in other liabilities	(8,264)	(6,834)
Others – net	(926)	1,232
Interest received	552	260
Dividends received	2,278	2,368
Interest paid	(1,173)	(856)
Income tax paid	(8,782)	(10,196)
<b>Cash Flows from Operating Activities</b>	<b>22,215</b>	<b>34,724</b>
<b>Cash Flows from Investing Activities</b>		
Acquisition of fixed assets	(27,667)	(44,698)
Proceeds from sales of fixed assets	602	289
Decrease (increase) in time deposits	(1,167)	252
Acquisition of other financial assets	(67)	(167)
Sale and redemption of other financial assets	41	580
Investments in associated companies	(120)	—
Others - net	(129)	(320)
<b>Cash Flows from Investing Activities</b>	<b>(28,507)</b>	<b>(44,064)</b>
<b>Cash Flows from Financing Activities</b>		
Cash dividends	(9,271)	(9,268)
Increase (decrease) in short-term bank loans	15,382	(6,528)
Proceeds from debt	34,138	48,683
Repayments of debt	(32,067)	(28,526)
Contributions from non-controlling interests	4,663	2
Acquisition of treasury stock	(4)	(3,567)
Proceeds from sales of treasury stock	—	29
Others - net	0	(16)
<b>Cash Flows from Financing Activities</b>	<b>12,841</b>	<b>809</b>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(266)	(32)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>6,283</b>	<b>(8,563)</b>
Cash and Cash Equivalents at the Beginning of the Period	48,108	72,399
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>54,391</b>	<b>63,836</b>

(6) Note on the Premises of a Going Concern

Not applicable.

(7) Note to Condensed Consolidated Financial Statements

1. Segment information

Information regarding the reportable segments

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

As of April 1, 2020, the Company changed the name of the “Affiliated Business Division” to the “Dairy and Marine Products Division,” and placed it under the responsibility of the Processed Foods Business Division. As a result, the category of operating segments has been changed from the previous classification of four business groups to the following three business groups from the first quarter of the fiscal year under review. In addition, the processed meat products/extract manufacturing and sales company, which had been under the responsibility of the Fresh Meats Business Division, was transferred to the Processed Foods Business Division.

Processed Foods Business Division	—	Mainly domestic production and sales of hams and sausages, processed foods, marine products, 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, fresh meats and marine products at overseas subsidiaries and associates.

The Group consists of 83 subsidiaries and 9 associates.

For the consolidated cumulative third quarter of the year ended March 31, 2020 (April 1, 2019 through December 31, 2019):

(millions of yen)

	Processed Foods Business Division	Fresh Meats Business Division	Overseas Business Division	Total	Eliminations, adjustments and others	Consolidated
Net sales						
Sales to external customers	392,692	484,576	101,047	978,315	(26,009)	952,306
Intersegment sales	19,228	97,776	96,928	213,932	(213,932)	-
Total	411,920	582,352	197,975	1,192,247	(239,941)	952,306
Segment profit	12,838	24,211	3,048	40,097	(858)	39,239

For the consolidated cumulative third quarter of the year ending March 31, 2021 (April 1, 2020 through December 31, 2020):

(millions of yen)

	Processed Foods Business Division	Fresh Meats Business Division	Overseas Business Division	Total	Eliminations, adjustments and others	Consolidated
Net sales						
Sales to external customers	384,212	468,673	84,795	937,680	(34,692)	902,988
Intersegment sales	19,840	93,622	85,176	198,638	(198,638)	-
Total	404,052	562,295	169,971	1,136,318	(233,330)	902,988
Segment profit	15,974	32,294	337	48,605	(4,691)	43,914

- (Notes)
1. "Eliminations, adjustments and others" includes unallocated items and intersegment eliminations.
  2. 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's companies included in each reportable operating segment.
  3. "Segment 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 excluding adjustments in accordance with IFRS and non-recurring items.
  4. For the consolidated cumulative third quarter of the year ended March 31, 2020, reclassifications have been made based on operating segment information of the consolidated cumulative third quarter of the year ending March 31, 2021.

For the consolidated third quarter of the year ended March 31, 2020 (October 1, 2019 through December 31, 2019):

(millions of yen)

	Processed Foods Business Division	Fresh Meats Business Division	Overseas Business Division	Total	Eliminations, adjustments and others	Consolidated
Net sales						
Sales to external customers	144,694	169,081	35,067	348,842	(12,802)	336,040
Intersegment sales	6,678	34,052	31,140	71,870	(71,870)	-
Total	151,372	203,133	66,207	420,712	(84,672)	336,040
Segment profit	7,609	9,984	1,146	18,739	(1,332)	17,407

For the consolidated third quarter of the year ending March 31, 2021 (October 1, 2020 through December 31, 2020):

(millions of yen)

	Processed Foods Business Division	Fresh Meats Business Division	Overseas Business Division	Total	Eliminations, adjustments and others	Consolidated
Net sales						
Sales to external customers	143,418	169,387	29,910	342,715	(13,211)	329,504
Intersegment sales	7,344	31,217	28,676	67,237	(67,237)	-
Total	150,762	200,604	58,586	409,952	(80,448)	329,504
Segment profit (loss)	9,560	14,097	(171)	23,486	(1,495)	21,991

- (Notes)
1. “Eliminations, adjustments and others” includes unallocated items and intersegment eliminations.
  2. 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’s companies included in each reportable operating segment.
  3. “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 excluding adjustments in accordance with IFRS and non-recurring items.
  4. For the consolidated third quarter of the year ended March 31, 2020, reclassifications have been made based on operating segment information of the consolidated third quarter of the year ending March 31, 2021.

## 2. Changes in the accounting policy

Not applicable.

### 3. Important accounting policy

The accounting policy applied by the Group in preparing these Condensed Consolidated Financial Statements is identical to that applied in preparing the Condensed Consolidated Financial Statements for the previous consolidated fiscal year, except regarding the matter below.

#### (Share-based payment)

The Group has introduced the Performance-Based Stock Compensation Plan as an equity-settled share-based payment plan for officers from the consolidated second quarter of the fiscal year under review. Under the Plan, services received are measured against the fair value of the Company's shares as of the grant date, and recognized as expense throughout the vesting period. A corresponding amount is recognized as increase of equity. The fair value of the Company's shares as of the grant date is measured based on observable market prices, and the forecast dividends are incorporated in the measurement of the fair value.

In addition, the Group has introduced the Trust-type Employee Shareholding Incentive Plan (hereinafter the "Plan") as a cash-settled share-based payment plan from the consolidated third quarter of the fiscal year under review. Under the Plan, services received are measured against the fair value of the liabilities incurred, and recognized as expense from the grant date to the trust expiration date. A corresponding amount is recognized as increase of liabilities. The fair value of the liabilities is remeasured as of the end of the each period until settlement, and the changes in the fair value are recognized as profit or loss.

### 4. Additional information

With respect to the impact of COVID-19, the Company anticipated that the impact would continue for around six months from the end of the previous fiscal year, and would be gradually contained thereafter. However, in view of recent conditions, it is difficult to recognize that the situation is gradually contained. The Company has therefore revised its initial forecasts regarding the impact of COVID-19, under the accounting estimates and assumptions that the impact will persist for some time after December 31, 2020, and be gradually contained thereafter. Based on these accounting estimates and assumptions, the Company has determined that the impact of COVID-19 on the cumulative third quarter of the year ending March 31, 2021 is immaterial. However, the Group's financial position and operating results may be greatly affected in the next quarter and the following periods depending on how the situation develops.