

BRIEF STATEMENT OF ACCOUNTS
FOR THE FIRST 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:	https://www.nipponham.co.jp/eng/
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Scheduled date of filing of quarterly report:	August 7, 2020
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 first quarter of the year ending March 31, 2021 (April 1, 2020 through June 30, 2020):

(1) Consolidated operating results (accumulated):

(The percentages indicate the rates of increase (decrease) from the first 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)	%
First quarter of the year ending March 31, 2021	279,305	(8.4)	9,230	(16.7)	13,035	5.6	9,063	3.5	9,384	8.5	12,515	93.5
First quarter of the year ended March 31, 2020	304,760	0.1	11,074	(7.6)	12,344	(19.2)	8,753	(20.8)	8,651	(22.1)	6,468	(43.8)

(yen)

	Earnings per share (basic)	Earnings per share (diluted)
First quarter of the year ending March 31, 2021	91.18	91.15
First quarter of the year ended March 31, 2020	84.06	84.03

(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)	(%)
First quarter of the year ending March 31, 2021	769,247	419,830	407,922	53.0
Year ended March 31, 2020	768,861	416,597	404,414	52.6

2. State of dividends:

	Annual dividend (yen)				
	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 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)	580,000	(5.9)	16,000	(26.7)	17,000	13.6	12,500	21.0	121.45
Whole-year period	1,200,000	(2.4)	37,000	(15.5)	30,000	11.0	22,000	14.5	213.75

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

(Note) In consideration of the recent developments of its business results, the Company has made adjustments to the forecasts of consolidated business results for the cumulative second quarter and 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, July 31, 2020.

* 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:

First 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:
First quarter of the year ending March 31, 2021: 37,191 shares
Year ended March 31, 2020: 39,542 shares
- 3) Average number of shares outstanding during the period:
First quarter of the year ending March 31, 2021: 102,919,883 shares
First quarter of the year ended March 31, 2020: 102,912,494 shares

* 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 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. Qualitative Information on the Statement of Accounts for the First 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 telephone conference for institutional investors and analysts on July 31, 2020 (Friday). 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. For information on the schedules of such briefings, etc., please make sure on its website.

1. Qualitative Information on the Statement of Accounts for the First Quarter of the Fiscal Year under Review

(1) Explanation on the Operating Results

Overview of Operating Results in General

The Japanese economy during the first quarter of the fiscal year under review faced an extremely challenging situation due to the impact of COVID-19. The situation remains unpredictable even after the lifting of the declaration of a state of emergency, with the number of infected people in Japan on the rise.

In the food and fresh meats industry, an unusual situation was witnessed after the declaration of a state of emergency in April this year, where consumer products grew due to rising demand for dining at home and special demand for food stockpiling, while commercial-use products struggled due to sluggish demand for dining out.

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 in Japan, the Group continuously implemented the existing measures to strengthen and expand its business. In addition, under the measures led by the Crisis Management Committee to ensure the safety of Group employees and to prevent infection, the Group maintained a stable supply system in response to the increased demand for home meals resulting from the impact of COVID-19, and worked on initiatives including promoting telecommuting and developing infrastructure for remote work. In overseas operations, the Group took measures to minimize the impact of COVID-19 and worked to secure suppliers to ensure a stable supply to Japan.

As a result of these activities, for the first quarter of the fiscal year under review on a consolidated and cumulative basis, net sales decreased by 8.4% from the same period of the previous fiscal year to ¥279,305 million. Business profit decreased by 16.7% to ¥9,230 million, profit before tax increased by 5.6% to ¥13,035 million, and profit attributable to owners of the parent increased by 8.5% to ¥9,384 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, sales of the consumer products increased year over year, as the sales of the main product “*SCHAU ESSEN*” were strong due to the increased demand for home meals resulting from the impact of COVID-19 and the additional sales from the re-

launched “*SCHAU ESSEN ROASTED HOT CHILI*.” Sales of the commercial-use products to major restaurant channels decreased. However, the overall sales of the hams and sausages business were higher than that of the same period of the previous year.

In the processed foods business, sales of consumer products, such as the mainstay pizza group, the One-Cook group, and the shelf-stable product group, increased year on year due to the increased demand for home meals resulting from the impact of COVID-19. 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 were higher year over year, as the sales of the main product “*Vanilla Yogurt*” remained strong and “*Isey SKYR*,” which was launched as a new category product, also boosted the sales. With regard to cheese, although sales of consumer products increased mainly by “*Baby Cheese*,” sales to our mainstay breadmaking routes and restaurant channels declined. As a result, sales were lower than that of the same period of the previous year.

In the marine products business, while we worked to expand sales of sushi toppings and diced salmon, sales to restaurant channels including our main target of sushi restaurants were sluggish. As a consequence, sales 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 reviewed advertising expenses, and further mechanization and manpower saving in the manufacturing division.

As a result, for the first quarter of the fiscal year under review on a consolidated and cumulative basis, net sales of the Processed Foods Business Division decreased by 3.2% from the same period of the previous fiscal year to ¥122,461 million, and business profit increased by 15.2% from the same period of the previous fiscal year to ¥2,739 million.

(Fresh Meats Business Division)

In the fresh meats business, amid increasing demand for home meals due to the impact of COVID-19, we focused on activities such as disseminating information on social networking services and enhancing contactless interactions with customers in stores. We also worked to maintain contact with customers by using promotional materials such as labels of nutritional information on our branded fresh meats and by implementing a sweepstakes campaign that is open only to product purchasers for “*Sakurahime*” domestic chicken to encourage repeat purchases.

Due to these efforts, sales volumes of domestic chicken and domestic pork to mass retailers increased. However, demand for imported meats and other products for restaurants and wholesalers was affected by COVID-19, and overall sales were consequently lower year on year.

In terms of profit, profit of the production division increased due to an increase in shipment volume arising from the operation of a new farm in our chicken farming business and enhanced breeding results, as well as the impact of rising market prices of domestic chicken

and domestic pork. In the sales division, while overseas procurement became unstable due to the impact of COVID-19, we worked to ensure stable procurement of products from a wide range of countries of origin and to make further sales proposals. However, profit of the sales division decreased as a consequence of lower sales volumes, mainly of imported fresh meats, due to self-restraint of business operations by restaurants and in tourist areas.

As a result, for the first quarter of the fiscal year under review on a consolidated and cumulative basis, net sales of the Fresh Meats Business Division decreased by 4.7% from the same period of the previous fiscal year to ¥179,941 million, and business profit increased by 13.1% from the same period of the previous fiscal year to ¥8,496 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 food service industry suffered a prolonged slump due to COVID-19 in China and Vietnam. In Americas operations, net sales were higher year over year due to increased pork export volumes in Chile, in addition to growth in pork export volumes and processed food sales volumes to mass retailers in the U.S. In Australia operations, net sales were lower than that of the same period of the previous year due to decreases in the number of collected cattle and in the sales to 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 due to a decrease in production volume in Thailand and lower unit sales prices in Turkey. Profit of Americas operations was higher year over year due primarily to an increase in sales volume of processed foods and enhanced productivity that have taken hold in the U.S., as well as improved revenues from sales of marine products in Chile. In Australia operations, cattle collection prices rose and the number of collected cattle decreased due to the deteriorated collection environment in Australia, and sales prices fell particularly in China. In addition, cattle collection prices did not fall and unit sales prices of exports to China declined in Uruguay. Consequently, profit was lower than that of the same period of the previous year.

As a result, for the first quarter of the fiscal year under review on a consolidated and cumulative basis, net sales of the Overseas Business Division decreased by 13.8% year on year to ¥55,827 million, and business loss amounted to ¥107 million (business profit of ¥786 million for the same period of the previous fiscal year).

(2) Explanation on the Financial Position

<Financial position>

At the end of the first quarter of the fiscal year under review, total assets were almost unchanged from the end of the previous fiscal year to stand at ¥769,247 million, as cash and cash equivalents and trade and other receivables decreased by ¥10,103 million and ¥7,174 million, respectively, while inventories and other financial assets increased by ¥11,167 million and ¥2,972 million, respectively. Liabilities decreased by 0.8% from the end of the previous fiscal year to stand at ¥349,417 million, as interest-bearing liabilities and other financial liabilities decreased by ¥2,742 million and ¥2,927 million, respectively, although other current

liabilities increased by ¥3,883 million. Interest-bearing liabilities stood at ¥173,751 million.

Total equity attributable to owners of the parent increased by ¥3,508 million from the end of the previous fiscal year to ¥407,922 million, and the equity ratio of owners of the parent increased by 0.4 percentage points from the end of the previous fiscal year to 53.0%.

<Cash flows>

Cash flows from operating activities increased by ¥18,053 million on a net basis, mainly due to profit before tax of ¥13,035 million, depreciation and amortization expenses of ¥8,433 million, and decrease in trade and other receivables of ¥7,466 million, partially offset by increase in inventories of ¥10,719 million and income tax paid of ¥3,583 million.

Cash flows from investing activities decreased by ¥13,712 million on a net basis primarily due to acquisition of fixed assets of ¥13,528 million.

Cash flows from financing activities decreased by ¥14,628 million on a net basis, mainly due to cash dividends of ¥9,268 million, repayments of debt of ¥8,453 million, and decrease in short-term bank loans of ¥6,179 million, partially offset by proceeds from debt of ¥9,271 million.

As a result, cash and cash equivalents at end of the first quarter of the fiscal year under review decreased by ¥10,103 million from the end of the previous fiscal year to ¥62,296 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 for the cumulative second quarter and 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, July 31, 2020.

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.

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)	First quarter of the year ending March 31, 2021 (as of June 30, 2020)
(Assets)		
Current Assets		
Cash and cash equivalents	72,399	62,296
Trade and other receivables	130,213	123,039
Inventories	114,520	125,687
Biological assets	21,335	22,040
Other financial assets	11,701	11,771
Other current assets	5,583	7,092
Total Current Assets	355,751	351,925
Non-current Assets		
Property, plant and equipment	284,060	288,111
Right-of-use assets	35,545	34,521
Biological assets	1,883	1,859
Intangible assets and goodwill	8,953	8,785
Investments accounted for using the equity method	13,910	14,261
Other financial assets	32,647	35,549
Deferred tax assets	29,745	27,932
Other non-current assets	6,367	6,304
Total Non-current Assets	413,110	417,322
Total Assets	768,861	769,247
(Liabilities and Equity)		
Current Liabilities		
Interest-bearing liabilities	55,924	54,508
Trade and other payables	99,802	100,151
Income taxes payable	3,178	1,433
Other financial liabilities	18,877	15,959
Other current liabilities	35,966	39,849
Total Current Liabilities	213,747	211,900
Non-current Liabilities		
Interest-bearing liabilities	120,569	119,243
Retirement benefit liabilities	14,920	15,188
Other financial liabilities	719	710
Deferred tax liabilities	732	773
Other non-current liabilities	1,577	1,603
Total Non-current Liabilities	138,517	137,517
Total Liabilities	352,264	349,417

(millions of yen)

	Year ended March 31, 2020 (as of March 31, 2020)	First quarter of the year ending March 31, 2021 (as of June 30, 2020)
Equity		
Common stock	36,294	36,294
Capital surplus	72,639	72,630
Retained earnings	294,018	294,146
Treasury stock, at cost	(173)	(162)
Accumulated other comprehensive income	1,636	5,014
Total Equity Attributable to Owners of the Parent	404,414	407,922
Non-controlling Interests	12,183	11,908
Total Equity	416,597	419,830
Total Liabilities and Equity	768,861	769,247

(Note) Breakdown of accumulated other comprehensive income

	Year ended March 31, 2020	First quarter of the year ending March 31, 2021
Financial assets measured at fair value through other comprehensive income	7,178	9,097
Exchange differences on translation of foreign operations	(5,542)	(4,083)

(2) Condensed Consolidated Statements of Income

(millions of yen)

	Cumulative first quarter of the year ended March 31, 2020 (consolidated) (April 1, 2019 through June 30, 2019)	Cumulative first quarter of the year ending March 31, 2021 (consolidated) (April 1, 2020 through June 30, 2020)
Net Sales	304,760	279,305
Cost of Goods Sold	251,384	229,069
Selling, General and Administrative Expenses	40,836	38,797
Other Income	1,571	1,622
Other Expenses	1,566	553
Financial Income	500	818
Financial Costs	767	407
Share of Profit in Investments Accounted for Using the Equity Method	66	116
Profit before Tax	12,344	13,035
Income Tax Expense	3,591	3,972
Profit	8,753	9,063
Profit Attributable to:		
Owners of the Parent	8,651	9,384
Non-controlling Interests	102	(321)
Profit	8,753	9,063

Earnings per Share		
Earnings per share (basic)	84.06 yen	91.18 yen
Earnings per share (diluted)	84.03 yen	91.15 yen

(3) Condensed Consolidated Statements of Comprehensive Income

	(millions of yen)	
	Cumulative first quarter of the year ended March 31, 2020 (consolidated) (April 1, 2019 through June 30, 2019)	Cumulative first quarter of the year ending March 31, 2021 (consolidated) (April 1, 2020 through June 30, 2020)
Profit	8,753	9,063
Other Comprehensive Income (Loss)		
Items that will not be reclassified subsequently to profit or loss		
Financial assets measured at fair value through other comprehensive income	(478)	1,926
Total	(478)	1,926
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(1,698)	1,290
Share of other comprehensive income of investments accounted for using the equity method	(109)	236
Total	(1,807)	1,526
Total Other Comprehensive Income (Loss)	(2,285)	3,452
Comprehensive Income	6,468	12,515
Comprehensive Income Attributable to:		
Owners of the Parent	6,488	12,769
Non-controlling Interests	(20)	(254)
Comprehensive Income	6,468	12,515

(4) Condensed Consolidated Statements of Changes in Equity

Consolidated cumulative first quarter of the year ended March 31, 2020 (April 1, 2019 through June 30, 2019)

(millions of yen)

	Equity attributable to owners of the parent									Non-con- trolling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income			Total			
					Remeas- urement of defined benefit plans	Financial assets measured at fair value through other compre- hensive 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			8,651					—	8,651	102	8,753
Other comprehensive loss						(476)	(1,687)	(2,163)	(2,163)	(122)	(2,285)
Comprehensive income	—	—	8,651	—	—	(476)	(1,687)	(2,163)	6,488	(20)	6,468
Dividends			(9,262)					—	(9,262)	(9)	(9,271)
Acquisition of treasury stock				(1)				—	(1)	—	(1)
Disposal of treasury stock				0				—	0	—	0
Capital increase of subsidiaries								—	—	186	186
Transfer of accumulated other comprehensive income to retained earnings								—	—	—	—
Total transactions with owners	—	—	(9,262)	(1)	—	—	—	—	(9,263)	177	(9,086)
Balance as of June 30, 2019	36,294	72,672	286,323	(203)	—	6,504	(3,351)	3,153	398,239	4,501	402,740

Consolidated cumulative first quarter of the year ending March 31, 2021 (April 1, 2020 through June 30, 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			9,384					—	9,384	(321)	9,063
Other comprehensive income						1,926	1,459	3,385	3,385	67	3,452
Comprehensive income	—	—	9,384	—	—	1,926	1,459	3,385	12,769	(254)	12,515
Dividends			(9,263)					—	(9,263)	(6)	(9,269)
Acquisition of treasury stock				(1)				—	(1)	—	(1)
Disposal of treasury stock		(10)		12				—	2	—	2
Establishment of subsidiaries								—	—	2	2
Other		1						—	1	(17)	(16)
Transfer of accumulated other comprehensive income to retained earnings			7			(7)		(7)	—	—	—
Total transactions with owners	—	(9)	(9,256)	11	—	(7)	—	(7)	(9,261)	(21)	(9,282)
Balance as of June 30, 2020	36,294	72,630	294,146	(162)	—	9,097	(4,083)	5,014	407,922	11,908	419,830

(5) Condensed Consolidated Statements of Cash Flows

(millions of yen)

	Cumulative first quarter of the year ended March 31, 2020 (April 1, 2019 through June 30, 2019)	Cumulative first quarter of the year ending March 31, 2021 (April 1, 2020 through June 30, 2020)
Cash Flows from Operating Activities		
Profit before tax	12,344	13,035
Depreciation and amortization expense	8,111	8,433
Impairment losses	78	141
Decrease (increase) in fair value of biological assets	(1,322)	(1,368)
Financial income and costs	266	(411)
Decrease (increase) in trade and other receivables	1,353	7,466
Decrease (increase) in inventories	(13,551)	(10,719)
Decrease (increase) in biological assets	308	1,264
Decrease (increase) in other assets	173	(586)
Increase (decrease) in trade and other payables	8,030	175
Increase (decrease) in other liabilities	6,787	3,796
Others—net	(1,752)	(130)
Interest received	148	76
Dividends received	398	709
Interest paid	(409)	(245)
Income tax paid	(2,989)	(3,583)
Cash Flows from Operating Activities	17,973	18,053
Cash Flows from Investing Activities		
Acquisition of fixed assets	(9,639)	(13,528)
Proceeds from sales of fixed assets	12	3
Decrease (increase) in time deposits	5	(33)
Acquisition of other financial assets	(23)	(123)
Sale and redemption of other financial assets	3	13
Investments in associated companies	(120)	—
Others—net	(17)	(44)
Cash Flows from Investing Activities	(9,779)	(13,712)
Cash Flows from Financing Activities		
Cash dividends	(9,271)	(9,268)
Increase (decrease) in short-term bank loans	7,533	(6,179)
Proceeds from debt	1,755	9,271
Repayments of debt	(5,519)	(8,453)
Contributions from non-controlling interests	186	—
Acquisition of treasury stock	(1)	(1)
Others—net	—	2
Cash Flows from Financing Activities	(5,317)	(14,628)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(527)	184
Net Increase (Decrease) in Cash and Cash Equivalents	2,350	(10,103)
Cash and Cash Equivalents at the Beginning of the Period	48,108	72,399
Cash and Cash Equivalents at the End of the Period	50,458	62,296

(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 first quarter of the year ended March 31, 2020 (April 1, 2019 through June 30, 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	120,194	157,505	33,116	310,815	(6,055)	304,760
Intersegment sales	6,339	31,400	31,676	69,415	(69,415)	—
Total	126,533	188,905	64,792	380,230	(75,470)	304,760
Segment profit	2,377	7,515	786	10,678	396	11,074

For the consolidated cumulative first quarter of the year ending March 31, 2021 (April 1, 2020 through June 30, 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	116,464	148,035	26,244	290,743	(11,438)	279,305
Intersegment sales	5,997	31,906	29,583	67,486	(67,486)	—
Total	122,461	179,941	55,827	358,229	(78,924)	279,305
Segment profit (loss)	2,739	8,496	(107)	11,128	(1,898)	9,230

- (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 first quarter of the fiscal year ended March 31, 2020, reclassifications have been made based on operating segment information of the first quarter of the fiscal year ending March 31, 2021.

2. Changes in the accounting policy

Not applicable.

3. Additional information

With respect to the impact of COVID-19, there has been no significant change in assumptions including the future spread of the infection and the timing of its containment, and the Company has determined that the impact of COVID-19 on the first quarter of the fiscal year ending March 31, 2021 is immaterial. However, the Group’s financial position and business results may be greatly affected in the next quarter and the following periods depending on how the situation develops.