

**BRIEF STATEMENT OF ACCOUNTS  
FOR THE YEAR ENDED MARCH 31, 2022**  
(Under IFRS) (Consolidated)

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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 the Ordinary General Meeting of Shareholders:	June 24, 2022
Scheduled date of payment of dividends:	June 1, 2022
Scheduled date of filing of securities report:	June 27, 2022
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, 2022 (April 1, 2021 through March 31, 2022):**

**(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, 2022	1,174,389	6.1	48,116	(82)	51,366	79	47,647	53.4	48,049	47.3	54,172	29.7
Year ended March 31, 2021	1,106,351	—	52,426	19.8	47,604	—	31,058	64.0	32,616	69.8	41,757	229.2

	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, 2022	469.92	469.81	10.5	5.9	3.9
Year ended March 31, 2021	317.97	317.89	7.8	6.0	4.6

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

Year ended March 31, 2022: ¥9,024 million

Year ended March 31, 2021: ¥1,413 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 and non-recurring items.
2. The marine products business relating to The Marine Foods Corporation, its subsidiaries, etc. has been reclassified to discontinued operations from the year ended March 31, 2022. As a result, profit 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. The corresponding figures for the year ended March 31, 2021 have been reclassified in the same manner, and accordingly, percentages indicating the rates of increase (decrease) from the previous year are not presented.
3. The ratio of business profit to net sales is calculated using business profit adjusted for discontinued operations (¥45,821 million for the year ended March 31, 2022 and ¥50,532 million for the year ended March 31, 2021).

(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, 2022	909,213	489,554	479,069	52.7	4,681.82
Year ended March 31, 2021	825,405	444,309	433,595	52.5	4,243.70

(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, 2022	33,387	(22,837)	(12,162)	85,374
Year ended March 31, 2021	82,518	(57,827)	(14,934)	83,831

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, 2021	—	—	—	94.00	94.00	9,675	29.6	2.3
Year ended March 31, 2022	—	—	—	102.00	102.00	10,499	21.7	2.3
Year ending March 31, 2023 (forecast)	—	—	—	110.00	110.00		34.1	

(Note) Total dividends include dividends on the Company's shares held by the Board Incentive Plan Trust (¥14 million for the year ended March 31, 2022 and ¥13 million for the year ended March 31, 2021) and dividends on the Company's shares held by the NH Foods Group Employee Shareholding Association Trust (¥48 million for the year ended March 31, 2022 and ¥57 million for the year ended March 31, 2021).

3. Forecast of consolidated business results for the year ending March 31, 2023 (April 1, 2022 through March 31, 2023):

(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)	610,000	7.2	24,000	(1.0)	27,500	(2.0)	20,000	0.4	195.45
Whole-year period	1,240,000	5.6	46,000	(4.4)	44,500	(13.4)	33,000	(31.3)	322.50

\* Notes:

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

Year ended March 31, 2022:	102,958,904 shares
Year ended March 31, 2021:	102,958,904 shares

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

Year ended March 31, 2022:	633,488 shares
Year ended March 31, 2021:	784,890 shares

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

Year ended March 31, 2022:	102,251,475 shares
Year ended March 31, 2021:	102,575,847 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 (137,759 shares for the year ended March 31, 2022 and 140,663 shares for the year ended 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 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 (466,200 shares for the year ended March 31, 2022 and 608,600 shares for the year ended March 31, 2021) 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, 2022 (April 1, 2021 through March 31, 2022):

(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, 2022	775,354	—	1,727	—	21,460	—	31,894	—
Year ended March 31, 2021	772,313	(3.0)	6,641	80.5	22,860	27.0	6,933	(26.7)

	Basic earnings per share	Diluted earnings per share
	(yen)	(yen)
Year ended March 31, 2022	311.92	311.85
Year ended March 31, 2021	67.59	67.57

(Note) Since the Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the year ended March 31, 2022, the above figures for the year ended March 31, 2022 are after the application of the said accounting standards, etc., and therefore, percentages indicating the rates of increase (decrease) from the previous year are not shown.

(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, 2022	538,489	229,090	42.5	2,238.62
Year ended March 31, 2021	511,500	207,869	40.6	2,034.12

(For reference) Net worth:

Year ended March 31, 2022:                   ¥229,067 million  
Year ended March 31, 2021:                   ¥207,834 million

(Note) Since the Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the year ended March 31, 2022, the above figures for the year ended March 31, 2022 are after the application of the said accounting standards, etc.

2. Forecast of non-consolidated business results for the year ending March 31, 2023 (April 1, 2022 through March 31, 2023):

(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)	380,000	0.3	14,800	(32.6)	17,900	(14.2)	174.93
Whole-year period	780,000	0.6	15,500	(27.8)	19,400	(39.2)	189.59

- \* 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 16.

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- \* 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, 2022 (Tuesday): Online results briefing for institutional investors and analysts
  - May 13, 2022 (Friday): Online briefing on the new Medium-Term Management Plan for institutional investors and analysts
- \* In addition to the above-mentioned briefings, 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. Overview of Operating Results, etc.

### (1) Overview of Operating Results

#### Overview of Operating Results in General

The Japanese economy during the year ended March 31, 2022 showed some signs of recovery amid persisting impact of COVID-19. However, the outlook remained uncertain due to the quasi-emergency measures applied all over the country following a resurgence of infections caused by a new variant.

In the food and fresh meats industry, the unprecedentedly difficult situation continued, such as declining demand from restaurants due to the prolonged declaration of a state of emergency or quasi-emergency measures, and increasing costs due to soaring raw material prices.

Under these circumstances, NH Foods Ltd. and its subsidiaries (the “Group”), in the “Medium-Term Management Plan 2023” which commenced in April 2021 as a milestone in pursuing our ideals for 2030: NH Foods Group “Vision 2030”—“Unleash new potentials for protein,” promoted business development based on our four management policies:

- Shift to a sustainable business model with profitability,
- Establish a growth model for Overseas Business,
- Provide new value through new products and services, and
- Strengthen corporate functions to achieve the Vision.

In Japan, in response to soaring raw material prices and rising energy costs, we have changed the specifications of some products and revised the delivery prices in order to continue delivering high-quality, safe and secure products to our customers. Furthermore, we have maintained a stable supply system by ensuring thorough implementation of measures against COVID-19. In the backdrop of the establishment of new lifestyles, food diversity, and growing awareness of social issues such as ESG aimed at achieving the SDGs, we released new eco-friendly products such as “*eco-friendly Loin Ham*” and “*SCHAU ESSEN*” that have adopted the new eco-friendly pillow type packaging which uses less amount of plastic to reduce the impact to the environment. We also renewed and launched new products in the series of “*NatuMeat*” which is plant-based meat made from soybeans or other plant-derived ingredients, as a next-generation foodstuff for a sustainable society. Furthermore, we launched one-stop comprehensive food allergy care platform “Table for All: Food Allergy Care,” the first such service in the Japanese food industry, where online nutritional consultations by registered dietitians for food allergy or helpful information related to food allergy are available for free. In addition, we have enhanced dissemination of information on our efforts to realize “Vision 2030” by appointing Mr. Tsuyoshi Shinjo as the corporate ambassador who propagates the information on the Group’s efforts for the stable supply of proteins, and other useful information on proteins. Other initiatives include the Hokkaido project with an eye to the opening of the new stadium in 2023; the promotion of Digital Transformation (DX) to strengthen our management base; and, in order to pursue an optimal business portfolio to improve ROIC, other actions such as transferring shares of a group company or integrating management of the Group companies for more efficient use of management resources.

Overseas, the Group worked to improve production efficiency and implement price revisions in response to soaring prices of main raw materials in the processed food business. In the fresh meats business in Australia and Uruguay, amid high-price market conditions we reinforced our initiatives for branded beef as value-added products and implemented appropriate operation of our plants according to the supply-demand balance, thereby achieving stable sales. Furthermore, in the

business of meats exports to Japan, we worked to ensure a stable supply of meats by strengthening coordination with external packers in each country.

Regarding the cross-group initiatives, we worked to raise group employees' awareness of our initiative for "Vision 2030"—"Unleash new potentials for protein" and promoted ROIC-based management by managing KPIs linking them with various measures of the "Medium-Term Management Plan 2023." Efforts to enhance the business structure were made in line with "NH Foods Group Fundamental Policy on Corporate Governance."

As a result of these activities, consolidated net sales for the year ended March 31, 2022 amounted to ¥1,174,389 million, increasing 6.1% from the previous fiscal year. Business profit decreased 8.2% from the previous fiscal year to ¥48,116 million, profit before tax increased 7.9% from the previous fiscal year to ¥51,366 million, and profit attributable to owners of the parent increased 47.3% from the previous fiscal year to ¥48,049 million owing to factors such as ¥9,105 million of profit from discontinued operations.

Note that, as announced in "Notice of Change in Consolidated Subsidiaries (by Share Transfer)" and "Notice of Recording of Profits from Share Transfer associated with the Change in Consolidated Subsidiaries (by Share Transfer) and the Adjustment to the Forecast of Business Results" dated February 9, 2022, the marine products business relating to The Marine Foods Corporation, a consolidated subsidiary of the Company, its subsidiaries, etc. has been classified as discontinued operations. As a result, sales and profit before tax related to the said business have been recorded as those from discontinued operations in the fiscal year under review as well as in the previous fiscal year, which is the comparative year.

Breakdown of consolidated net sales

Category	Year ended March 31, 2021 (April 1, 2020–March 31, 2021)		Year ended March 31, 2022 (April 1, 2021–March 31, 2022)		Rate of increase (decrease) from the previous year (%)
	Amount (millions of yen)	Component ratio (%)	Amount (millions of yen)	Component ratio (%)	
Hams and sausages	132,425	12.0	131,147	11.2	(1.0)
Processed foods	216,902	19.6	224,976	19.2	3.7
Fresh meats	672,880	60.8	722,843	61.5	7.4
Marine products	13,496	1.2	16,224	1.4	20.2
Dairy products	31,967	2.9	35,214	3.0	10.2
Others	38,681	3.5	43,985	3.7	13.7
Total	1,106,351	100.0	1,174,389	100.0	6.1

Overview of Operating Segments

The Company discloses the Baseball and Ballpark Business and New Business, etc. in the “Others” category from the cumulative first quarter of the fiscal year under review for the purpose of expanding into new business areas. In addition, the Processed Foods Business Division includes the marine products business that has been classified as discontinued operations.

(Processed Foods Business Division)

In the hams and sausages business, sales to mass retailer channels decreased from the previous fiscal year despite our efforts to make up for the impact of COVID-19. Such efforts include the introduction of the new eco-friendly pillow type packaging for the main product “*SCHAU ESSEN*” to reduce environmental burden, and the launch of advertisements on social networking services to attract younger customers. Sales to commercial-use channels increased year on year thanks to the increased demand as the infection situation subsided.

In the processed foods business, sales to mass retailer channels remained at the level of the previous fiscal year. This was attributable to the significant growth in the main product “*Ishigama Kobo*” thanks to the increased demand for snacks, and the addition of the new product “*Ajiwai Range*” which can be stored at room temperature. Moreover, sales of products to commercial-use channels including extracts and primary processed products saw a recovery, resulting in an increase in the overall sales from the previous fiscal year.

In the dairy products business, sales of the main product “*Vanilla Yoghurt*” remained strong, and sales of commercial-use cheese to restaurant channels and food companies increased. As a result, sales increased year on year.

In the marine products business, we worked to expand sales of sushi toppings and our own factory products, mainly diced salmon, leading to brisk sales to mass retailer channels and growing sales to restaurant channels mainly to sushi restaurants. As a result, sales increased year on year.

In the Processed Foods Business Division as a whole, sales of commercial-use products increased year on year due to the end of the effects of the COVID-19 and changes in consumer behavior, and sales of consumer products maintained the same level as the previous year. As a result, overall sales of the Processed Foods Business Division increased year on year.

Profit of the Processed Foods Business Division as a whole decreased due to rising labor costs associated with an increase in production volume and increased upfront costs for the development of DX, in addition to a sharp rise in raw material prices and fuel costs, which was higher than expected.

As a result, for the year ended March 31, 2022, consolidated net sales of the Processed Foods Business Division amounted to ¥496,700 million, increasing 1.5% from the previous fiscal year, and business profit decreased 18.3% from the previous fiscal year to ¥14,679 million.

#### (Fresh Meats Business Division)

In the sales division, although we made efforts to reflect the increasing procurement prices for imported beef and pork in sales prices, profit declined as consumers continued to be budget-conscious. Under such difficult circumstances, we maintained sales volume by strengthening the proposal of our branded domestic fresh meats to each channel as alternatives to the imported fresh meats whose prices are soaring. We also worked to expand our sales channels and profits by benefiting from an export consortium for meats export as well as launching in March a new processed food product, “*Sakurahime Karaage*,” as an initiative toward the 20th anniversary of the release of “*Sakurahime*” domestic chicken.

In the procurement division, the situation remained uncertain. The procurement price of imported fresh meats soared due to the continued expansion of domestic demand in countries of origin, container shortages, and delays in ship arrivals. Also the procurement quantity was unstable. Under these circumstances, profit increased as a result of our effort to secure stable supply by strengthening proposals of alternative products from third countries or alternative meat parts while making full use of the Group's broad procurement and distribution network.

In the production division, we continuously worked to improve internal costs and the utilization rate of in-house processing plants, and to increase external procurement. Nevertheless profit decreased, affected largely by the soaring feed prices and fuel costs.

As a result, for the year ended March 31, 2022, consolidated net sales of the Fresh Meats Business Division amounted to ¥683,301 million, increasing 4.1% from the previous fiscal year, and business profit amounted to ¥ 35,573 million, decreasing 13.7% from the previous fiscal year.

(Overseas Business Division)

In Asia and Europe operations, net sales increased year on year due to strong sales of chicken in Turkey and strong exports of meat in the U.K., as well as the favorable sales of processed foods in Thailand and Taiwan. Profit increased despite the struggles in Thailand with high prices of raw materials for processed products, thanks to sustained high sales prices in Turkey and increased exports from the U.K.

In Americas operations, net sales increased year on year due to steady export of pork and firm sales of processed food at mass retailers in the U.S., as well as strong pork exports from Chili. Profit declined, however, due to sustained high raw material prices in the U.S of pork for exports and processed food.

In Australia operations, net sales increased year on year despite having struggles in collecting cattle in Australia, thanks to favorable exports and domestic sales as well as strong sales in Uruguay. While cattle collection prices remained high in Australia, profit increased due to favorable sales in Australia and efforts to improve the efficiency of factory operations. On the other hand, Uruguay posted a decrease in profit due to the suspension of export to China.

As a result, for the year ended March 31, 2022, net sales of the Overseas Business Division amounted to ¥267,623 million, increasing 19.7% from the previous fiscal year and business profit amounted to ¥2,409 million (a business loss of ¥104 million for the previous fiscal year).

(Others)

Hokkaido Nippon-Ham Fighters, representing the Baseball and Ballpark Business, finished the 2021 regular-season at fifth place in the Pacific League. While the effect of restrictions on the number of spectators to counter COVID-19 continued, both net sales and profit increased from the previous fiscal year as the team was able to host games with thorough countermeasures in place against infectious diseases. During the 2022 regular-season which has started with the new manager Tsuyoshi Shinjo, we will continue to put priority on the measures against infectious diseases to provide a safe and secure game-watching environment.

In the health support business operated by the Research & Development Center, we actively promoted sales of functional food ingredients by delivering seminars and conducting business negotiations online. In addition, in the health food category, we worked to increase awareness of our new product “*IMIDEA*,” food with functional claims, through public relations activities that combine virtual and real.

In the New Business, etc., we are preparing to provide services from the three perspectives of the entertainment business, the wellness business, and the ethical business, aiming for realizing our ideals for 2030: NH Foods Group “Vision 2030”—“Unleash new potentials for protein.” As part of the wellness business, in February 2022, we launched the “Table for All: Food Allergy Care” service, the first comprehensive food allergy care platform for a domestic food manufacturer.

As a result, for the year ended March 31, 2022, net sales of the Others amounted to ¥13,809 million, increasing 17.4% from the previous fiscal year and business loss amounted to ¥1,569 million (a business loss of ¥1,778 million for the previous fiscal year).

## (2) Overview of Financial Position

Total assets at the end of the fiscal year increased by 10.2% from the end of the previous fiscal year to account for ¥909,213 million. With regard to assets, inventories increased by 11.2% from the end of the previous fiscal year to account for ¥119,980 million, biological assets increased by 38.9% from the end of the previous fiscal year to account for ¥32,755 million, and other financial assets increased by 63.4% from the end of the previous fiscal year to account for ¥24,648 million. As a result, current assets increased by 13.2% from the end of the previous fiscal year to account for ¥414,306 million. Non-current assets increased by 7.7 % from the end of the previous fiscal year to account for ¥494,907 million mainly because property, plant and equipment increased by 6.0% from the end of the previous fiscal year to account for ¥345,022 million, right-of-use assets increased by 20.1% from the end of the previous fiscal year to account for ¥46,090 million, and intangible assets and goodwill increased by 43.9% from the end of the previous fiscal year to account for ¥15,269 million.

Liabilities increased by 10.1% from the end of the previous fiscal year to account for ¥419,659 million, as income taxes payable decreased by 33.4% from the end of the previous fiscal year to account for ¥6,494 million and retirement benefit liabilities decreased by 10.9% from the end of the previous fiscal year to account for ¥12,951 million, but interest-bearing liabilities increased by 9.1% from the end of the previous fiscal year to account for ¥211,407 million and other financial liabilities increased by 64.8% from the end of the previous fiscal year to account for ¥42,810 million.

Total equity attributable to owners of the parent increased by 10.5% from the end of the previous fiscal year to account for ¥479,069 million, as retained earnings increased by ¥40,323 million.

As a result, equity ratio of owners of the parent increased by 0.2 percentage points from the end of previous fiscal year to 52.7%.

## (3) Overview of Cash Flows

The states and causes of cash flows are as follows:

	Year ended March 31, 2021	Year ended March 31, 2022	Increase or decrease
	(millions of yen)	(millions of yen)	(millions of yen)
Cash flows from operating activities	82,518	33,387	(49,131)
Cash flows from investing activities	(57,827)	(22,837)	34,990
Cash flows from financing activities	(14,934)	(12,162)	2,772
Effect of exchange rate changes on cash and cash equivalents	1,675	3,155	1,480
Net increase (decrease) in cash and cash equivalents	11,432	1,543	(9,889)
Cash and cash equivalents at the end of the year	83,831	85,374	1,543

With regard to operating activities, profit before tax amounted to ¥51,366 million and depreciation and amortization expenses amounted to ¥36,464 million, while the increase of inventories amounted to ¥22,655 million and income tax paid amounted to ¥21,045 million. As a result, net cash provided by operating activities amounted to ¥33,387 million.

With regard to investing activities, acquisition of fixed assets amounted to ¥44,473 million, while proceeds from sales of business amounted to ¥16,628 million. As a result, net cash used in investing activities amounted to ¥22,837 million.

With regard to financing activities, cash dividends amounted to ¥9,610 million and repayments of debt amounted to ¥47,490 million, while increase in short-term bank loans amounted to ¥17,065 million and proceeds from debt amounted to ¥27,462 million. As a result, net cash used in financing activities amounted to ¥12,162 million.

As a result, cash and cash equivalents at the end of the fiscal year increased by ¥ 1,543 million in comparison with the end of the previous fiscal year to amount to ¥ 85,374 million.

The trends in cash flow indices are as shown below:

	Year ended March 31, 2021	Year ended March 31, 2022	Increase or decrease
Equity ratio of owners of the parent (%)	52.5	52.7	0.2
Equity ratio of owners of the parent on a fair value basis (%)	58.7	46.7	(12.0)
Years for debt redemption (year)	2.3	6.3	4.0
Interest coverage ratio (time)	61.6	27.9	(33.7)

\* Equity ratio of owners of the parent:

Total equity attributable to owners of the parent / Total assets

Equity ratio of owners of the parent on a fair value basis:

Aggregate fair value of listed stock / Total assets

Years for debt redemption: Interest-bearing liabilities / Cash provided by operating activities

Interest coverage ratio: Cash provided by operating activities / Interest payments

- (Notes)
1. Each of the indices is calculated based on financial data on a consolidated basis.
  2. The aggregate fair value of listed stock is calculated based on the number of issued shares, excluding the shares of treasury stock.
  3. As cash provided by operating activities, cash flows from operating activities in the consolidated statements of cash flows are used.
  4. For interest payments, the amount of interest paid in the consolidated statements of cash flows is used.

#### (4) Future Outlook

Regarding the economic outlook going forward, the situation is expected to remain unpredictable both in Japan and overseas, due to the concerns about the spread of COVID-19, the increasing geopolitical risk from the prolonged situation in Ukraine, and soaring raw material and fuel prices due to the sharp depreciation of the yen in foreign exchange markets. Nevertheless, we aim to become a corporate group that can contribute to realization of a sustainable society by working to achieve the NH Foods Group “Vision 2030”—“Unleash new potentials for protein,” which we have upheld as ideals for 2030, as well as the Five Materialities that we have identified as important social issues to be addressed in order to realize “Vision 2030.”

In addition, in the “Medium-Term Management Plan 2023,” which has been formulated as a milestone toward the realization of “Vision 2030,” we will strive to enhance our corporate value by promoting our four management policies: “Shift to a sustainable business model with profitability,” “Establish a growth model for Overseas Business,” “Provide new value through new products and services,” and “Strengthen corporate functions to achieve the Vision.”

In the Processed Foods Business Division, the difficult environment is expected to remain due to soaring raw material and fuel prices and rising labor and logistics costs, amid uncertainty



over future supply and demand trends caused by COVID-19 and the situation in Ukraine. In this context, under the “Medium-Term Management Plan 2023,” we will implement our business strategy in line with the following five policies: “establishing a lean manufacturing and profit structure from an overall optimization perspective,” “expanding business from a marketing perspective,” “balancing environmental responsiveness with profitability,” “putting business on track,” and “strengthening the foundations that support our growth strategy.” In “establishing a lean manufacturing and profit structure from an overall optimization perspective,” we will work to build an optimal manufacturing system from a company-wide perspective, conduct streamlining through product portfolio optimization and line consolidations and eliminations, and standardize production through technological innovation. In “expanding business from a marketing perspective,” we will work to implement marketing processes from the customers’ point of view, expand and firmly establish existing and developing brands, and realize synergies through organizational integration. In “balancing environmental responsiveness with profitability,” we will work to reduce packaging material use, CO<sub>2</sub> emissions and food losses. In “putting business on track,” we will work to improve the profitability of our businesses with issues. In “strengthening the foundations that support our growth strategy,” we will work to reform our organizational culture, develop and acquire human resources, and improve our internal controls.

In the Fresh Meats Business Division, in addition to the impact of COVID-19 and the situation in Ukraine, the supply and demand balance of meat is expected to change rapidly both in Japan and overseas due to livestock disease in Japan, fluctuations in cattle prices and feed prices caused by abnormal weather, the expansion of free trade agreements and rising demand in emerging countries. In this context, we have defined the following as our basic policies under the “Medium-Term Management Plan 2023”: “strengthening procurement capabilities,” “strengthening sales capabilities” and “strengthening foundations.” In “strengthening procurement capabilities,” for domestic fresh meats, we will improve the productivity of our own farms and aim for stable procurement by strengthening cooperation and forming alliances with outside parties. For imported fresh meats, we will strengthen our cooperation with existing suppliers to ensure high quality and stable procurement, and at the same time we will develop new countries of procurement in order to diversify procurement risks. In “strengthening sales capabilities,” we will increase our market share and profit through focused channel strategies, and improve competitiveness and gross profit margins through the development of branded fresh meats and value-added products. In “strengthening foundations,” we will strengthen individuals through developing human resources and optimizing the allocation of functions, in addition to strengthening the organization through internal collaboration with other departments and offices, centered on the Fresh Meats Marketing & Promotion Department. Through these initiatives, we will increase our share of domestic sales.

In the Overseas Business Division, we will continue to work to minimize the impact of COVID-19 and secure suppliers to ensure a stable supply to Japan. Under the “Medium-Term Management Plan 2023,” we will strengthen our stable profit base through structural reforms and expand sales to Japan and local markets, as well as develop human resources and strengthen our governance structure, based on the following policies: “structural reform of existing businesses,” “developing processed food and fresh meats and strengthening the supply system for Japan,” “strengthening the sale of processed food outside each country,” and “strengthening the foundations that support our growth strategy.”

In addition, as the most important challenge of functional strategies, the Group will promote DX (Digital Transformation), and will address four cross-divisional management issues (cross-business strategies, new businesses, the Hokkaido project, and corporate communication) from a group-wide perspective in order to ensure the ongoing development of the Group.

Concerning the performance targets for the year ending March 31, 2023, the Group aims to achieve net sales of ¥1,240 billion.

Forecast of consolidated net sales

Category	Year ending March 31, 2023 (April 1, 2022-March 31, 2023)	Rate of increase (decrease) from the previous fiscal year
	(billions of yen)	(%)
Hams and sausages	132.0	0.7
Processed foods	227.0	0.9
Fresh meats	774.0	7.1
Marine products	16.0	(1.4)
Dairy products	36.0	2.2
Others	55.0	25.0
Total	1,240.0	5.6

With regard to profits, the Group forecasts business profit of ¥46.0 billion, profit before tax of ¥44.5 billion, and profit attributable to owners of the parent of ¥33.0 billion.

Furthermore, the status of business activities and expected risks due to the spread of COVID-19 are as follows.

(Status of Business Activities)

The Group deals in foodstuffs, mainly fresh meats and processed meat-related products, and in order to fulfill our obligation of a stable product supply to maintain social living, we are implementing infection prevention measures for our customers and Group employees and performing business activities with the utmost care paid to safety considerations. Moreover, in February 2020, the Group established a Crisis Management Committee, which is engaged in activities such as ensuring the safety of Group employees and taking measures for business continuity.

(Expected Risks)

The Group conducts business activities in countries and regions around the world, including Japan. In these business activity areas, the supply chain of our Group may be affected, such as through difficulties in procurement of raw materials from suppliers and the suspension of operations at production and distribution bases due to social turmoil spreading and extending over a long period of time as a result of the spread of COVID-19. In addition, a decrease in sales and uncertainties in the creditworthiness of business partners due to the prolonged COVID-19 pandemic in Japan may affect the business performance and financial position of the Group.

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, 2022 and the Year Ending March 31, 2023

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.

Under its basic policy, the Company will distribute its retained earnings, with the aim of pursuing stable and continuous dividend growth at the target dividend on equity ratio (DOE) of a 2.3% level. The Company will acquire treasury stock in a flexible manner for the purpose of improving per-share shareholder value and ROE, in consideration of investments towards growth and its financial position. The Company will make effective use of the internal reserve funds as a source of investments that will maintain and improve its competitiveness for years to come.

For dividends for the year ended March 31, 2022, as announced today, on May 10, 2022 in "Notice of Distribution of Retained Earnings," dividends will be increased by ¥2 from ¥100 per share to ¥102 per share with DOE of 2.3%.

For the year ending March 31, 2023, management plans to pay an ordinary dividend of ¥110 per share, based on the above policy, on the assumption of the profit attributable to owners of the parent forecast of ¥33.0 billion and with the target DOE of 2.3%.

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 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, 2021 (as of March 31, 2021)	Year ended March 31, 2022 (as of March 31, 2022)
(Assets)		
Current Assets		
Cash and cash equivalents	83,831	85,374
Trade and other receivables	127,067	136,017
Inventories	107,906	119,980
Biological assets	23,581	32,755
Other financial assets	15,082	24,648
Other current assets	8,561	15,532
Total Current Assets	366,028	414,306
Non-current Assets		
Property, plant and equipment	325,629	345,022
Right-of-use assets	38,362	46,090
Biological assets	1,314	1,240
Intangible assets and goodwill	10,608	15,269
Investments accounted for using the equity method	9,011	12,410
Other financial assets	35,796	35,232
Deferred tax assets	26,056	26,279
Other non-current assets	12,601	13,365
Total Non-current Assets	459,377	494,907
Total Assets	825,405	909,213
(Liabilities and Equity)		
Current Liabilities		
Interest-bearing liabilities	59,322	90,056
Trade and other payables	98,983	103,719
Income taxes payable	9,748	6,494
Other financial liabilities	25,290	42,056
Other current liabilities	35,822	39,594
Total Current Liabilities	229,165	281,919
Non-current Liabilities		
Interest-bearing liabilities	134,428	121,351
Retirement benefit liabilities	14,543	12,951
Other financial liabilities	683	754
Deferred tax liabilities	581	1,045
Other non-current liabilities	1,696	1,639
Total Non-current Liabilities	151,931	137,740
Total Liabilities	381,096	419,659

(millions of yen)

	Year ended March 31, 2021 (as of March 31, 2021)	Year ended March 31, 2022 (as of March 31, 2022)
Equity		
Common stock	36,294	36,294
Capital surplus	71,240	71,272
Retained earnings	320,577	360,900
Treasury stock, at cost	(3,532)	(2,856)
Accumulated other comprehensive income	9,016	13,459
Total Equity Attributable to Owners of the Parent	433,595	479,069
Non-controlling Interests	10,714	10,485
Total Equity	444,309	489,554
Total Liabilities and Equity	825,405	909,213

(Note) Breakdown of accumulated other comprehensive income

	Year ended March 31, 2021	Year ended March 31, 2022
Financial assets measured at fair value through other comprehensive income	9,954	9,639
Exchange differences on translation of foreign operations	(938)	3,820

(2) Consolidated Statements of Income

	(millions of yen)	
	Year ended March 31, 2021 (consolidated) (April 1, 2020 through March 31, 2021)	Year ended March 31, 2022 (consolidated) (April 1, 2021 through March 31, 2022)
Net Sales	1,106,351	1,174,389
Cost of Goods Sold	907,897	974,361
Selling, General and Administrative Expenses	149,829	157,950
Other Income	8,595	10,609
Other Expenses	11,910	8,554
Financial Income	2,392	2,193
Financial Costs	1,511	3,984
Share of Profit in Investments Accounted for Using the Equity Method	1,413	9,024
Profit before Tax	47,604	51,366
Income Tax Expense	17,253	12,668
Profit from Continuing Operations	30,351	38,698
Profit from Discontinued Operations	707	8,949
Profit	31,058	47,647
Profit Attributable to:		
Owners of the Parent		
Continuing Operations	31,914	38,944
Discontinued Operations	702	9,105
Total	32,616	48,049
Non-controlling Interests		
Continuing Operations	(1,563)	(246)
Discontinued Operations	5	(156)
Total	(1,558)	(402)
Profit	31,058	47,647

Earnings per Share		
Earnings per share (basic)	317.97 yen	469.92 yen
Continuing operations	311.13 yen	380.87 yen
Discontinued operations	6.84 yen	89.05 yen
Earnings per share (diluted)	317.89 yen	469.81 yen
Continuing operations	311.05 yen	380.78 yen
Discontinued operations	6.84 yen	89.03 yen

(3) Consolidated Statements of Comprehensive Income

	(millions of yen)	
	Year ended March 31, 2021 (consolidated) (April 1, 2020 through March 31, 2021)	Year ended March 31, 2022 (consolidated) (April 1, 2021 through March 31, 2022)
Profit	31,058	47,647
Other Comprehensive Income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit plans	3,384	1,598
Financial assets measured at fair value through other comprehensive income	2,601	(36)
Total	5,985	1,562
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	4,285	3,972
Share of other comprehensive income of investments accounted for using the equity method	429	991
Total	4,714	4,963
Total Other Comprehensive Income	10,699	6,525
Comprehensive Income	41,757	54,172
Comprehensive Income Attributable to:		
Owners of the Parent	43,202	54,370
Non-controlling Interests	(1,445)	(198)
Comprehensive Income	41,757	54,172



(4) Consolidated Statements of Changes in Equity

Year ended March 31, 2021 (consolidated) (April 1, 2020 through March 31, 2021)

(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		
					Remeas-urement of defined benefit plans	Financial assets measured at fair value through other compreh-ensive income	Exchange differences on translation of foreign operations	Subtotal			
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			32,616					—	32,616	(1,558)	31,058
Other comprehensive income					3,384	2,598	4,604	10,586	10,586	113	10,699
Comprehensive income	—	—	32,616	—	3,384	2,598	4,604	10,586	43,202	(1,445)	41,757
Dividends			(9,263)					—	(9,263)	(6)	(9,269)
Acquisition of treasury stock		(2)		(3,565)				—	(3,567)		(3,567)
Disposal of treasury stock		(16)		206				—	190		190
Share-based payment transactions		87						—	87		87
Establishment of subsidiaries								—	—	2	2
Change in ownership interest of parent due to transactions with non-controlling interests		(1,468)						—	(1,468)	(20)	(1,488)
Transfer of accumulated other comprehensive income to retained earnings			3,206		(3,384)	178		(3,206)	—		—
Total transactions with owners	—	(1,399)	(6,057)	(3,359)	(3,384)	178	—	(3,206)	(14,021)	(24)	(14,045)
Balance as of March 31, 2021	36,294	71,240	320,577	(3,532)	—	9,954	(938)	9,016	433,595	10,714	444,309

Year ended March 31, 2022 (consolidated) (April 1, 2021 through March 31, 2022)

(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		
					Remeas-urement of defined benefit plans	Financial assets measured at fair value through other compreh-ensive income	Exchange differences on translation of foreign operations	Subtotal			
Balance as of April 1, 2021	36,294	71,240	320,577	(3,532)	—	9,954	(938)	9,016	433,595	10,714	444,309
Profit			48,049					—	48,049	(402)	47,647
Other comprehensive income					1,598	(35)	4,758	6,321	6,321	204	6,525
Comprehensive income	—	—	48,049	—	1,598	(35)	4,758	6,321	54,370	(198)	54,172
Dividends			(9,604)					—	(9,604)	(6)	(9,610)
Acquisition of treasury stock				(2)				—	(2)		(2)
Disposal of treasury stock		(61)		678				—	617		617
Share-based payment transactions		90						—	90		90
Change in ownership interest of subsidiaries		3						—	3	(195)	(192)
Sale of subsidiaries								—	—	170	170
Transfer of accumulated other comprehensive income to retained earnings			1,878		(1,598)	(280)		(1,878)	—		—
Total transactions with owners	—	32	(7,726)	676	(1,598)	(280)	—	(1,878)	(8,896)	(31)	(8,927)
Balance as of March 31, 2022	36,294	71,272	360,900	(2,856)	—	9,639	3,820	13,459	479,069	10,485	489,554

(5) Consolidated Statements of Cash Flows

	(millions of yen)	
	Year ended March 31, 2021 (consolidated) (April 1, 2020 through March 31, 2021)	Year ended March 31, 2022 (consolidated) (April 1, 2021 through March 31, 2022)
Cash Flows from Operating Activities		
Profit before tax	47,604	51,366
Profit before tax from discontinued operations	1,270	13,139
Depreciation and amortization expense	34,109	36,464
Impairment losses	7,069	2,395
Decrease (increase) in fair value of biological assets	(192)	44
Financial income and costs	(408)	2,826
Loss (gain) on sales of business	—	(12,037)
Decrease (increase) in trade and other receivables	3,817	(8,157)
Decrease (increase) in inventories	7,722	(22,655)
Decrease (increase) in biological assets	113	(9,187)
Decrease (increase) in other assets	(8,815)	(7,455)
Increase (decrease) in trade and other payables	(1,252)	8,552
Increase (decrease) in other liabilities	(507)	4,737
Others—net	648	(8,537)
Interest received	287	355
Dividends received	2,735	3,779
Interest paid	(1,339)	(1,197)
Income tax paid	(10,343)	(21,045)
Cash Flows from Operating Activities	82,518	33,387
Cash Flows from Investing Activities		
Acquisition of fixed assets	(59,398)	(44,473)
Proceeds from sales of fixed assets	1,423	728
Decrease (increase) in time deposits	259	4,024
Acquisition of other financial assets	(182)	(130)
Sale and redemption of other financial assets	673	929
Proceeds from sales of business	—	16,628
Others—net	(602)	(543)
Cash Flows from Investing Activities	(57,827)	(22,837)
Cash Flows from Financing Activities		
Cash dividends	(9,269)	(9,610)
Increase (decrease) in short-term bank loans	(4,840)	17,065
Proceeds from debt	70,393	27,462
Repayments of debt	(66,351)	(47,490)
Contributions from non-controlling interests	2	—
Acquisition from non-controlling interests	(1,489)	(191)
Acquisition of treasury stock	(3,567)	(2)
Proceeds from sales of treasury stock	187	604
Others—net	0	0
Cash Flows from Financing Activities	(14,934)	(12,162)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,675	3,155
Net Increase (Decrease) in Cash and Cash Equivalents	11,432	1,543
Cash and Cash Equivalents at the Beginning of the Year	72,399	83,831
Cash and Cash Equivalents at the End of the Year	83,831	85,374

(6) Note on the Premises of a Going Concern

Not applicable.

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

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

Number of consolidated subsidiaries:	72 companies
Number of equity-method companies:	7 companies

2. Additional information

With respect to the impact of COVID-19, while the Company anticipated that the impact will continue for some time after the end of the fiscal year ended March 31, 2022, and will then be gradually contained thereafter, as its accounting estimates and assumptions, it has determined that the impact on the fiscal year ended March 31, 2022 was immaterial. However, the Group's financial position and operating results may be greatly affected in the next year depending on how the situation develops.

(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, 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 Company discloses the Baseball and Ballpark Business and New Business, etc. in the "Others" category from the cumulative first quarter of the fiscal year under review for the purpose of expanding into new business areas.

In addition, from the cumulative first quarter of the fiscal year under review, the Company has changed the calculation method of net sales in order to more appropriately reflect the business results of the reportable segments.

The Company has classified the marine products business relating to The Marine Foods Corporation, its subsidiaries, etc. as discontinued operation from the fiscal year under review. However, the Processed Foods Business Division in the reportable segments includes the marine products business that has been classified as discontinued operation.

For the year ended March 31, 2021 (April 1, 2020 through March 31, 2021)

(millions of yen)

	Processed Foods Business Division	Fresh Meats Business Division	Overseas Business Division	Others	Total	Eliminati- ons, adjust- ments and others	Consolidated (before adjustment for discontinued operations)	Transfer to discontin- ued operations	Consolidat ed (after adjustment for discontin- ued operations)
Net sales									
Sales to external customers	463,526	591,576	112,155	8,581	1,175,838	263	1,176,101	(69,750)	1,106,351
Intersegment sales	25,836	65,092	111,494	3,177	205,599	(205,599)	—	—	—
Total	489,362	656,668	223,649	11,758	1,381,437	(205,336)	1,176,101	(69,750)	1,106,351
Segment profit (loss)	17,977	41,243	(104)	(1,778)	57,338	(4,912)	52,426	(1,894)	50,532
Segment assets	308,769	341,364	123,427	27,535	801,095	24,310	825,405	—	825,405
Other items									
Depreciation and amortization	11,720	8,012	3,126	258	23,116	10,823	33,939	(1,200)	32,739
Capital expenditures	26,032	15,966	4,955	19,181	66,134	16,768	82,902	(1,773)	81,129
Investments accounted for using the equity method	337	702	7,972	—	9,011	—	9,011	—	9,011

For the year ended March 31, 2022 (April 1, 2021 through March 31, 2022)

(millions of yen)

	Processed Foods Business Division	Fresh Meats Business Division	Overseas Business Division	Others	Total	Eliminati- ons, adjust- ments and others	Consolidated (before adjustment for discontinued operations)	Transfer to discontin- ued operations	Consolidat ed (after adjustment for discontin- ued operations)
Net sales									
Sales to external customers	469,953	621,531	142,799	10,631	1,244,914	1,528	1,246,442	(72,053)	1,174,389
Intersegment sales	26,747	61,770	124,824	3,178	216,519	(216,519)	—	—	—
Total	496,700	683,301	267,623	13,809	1,461,433	(214,991)	1,246,442	(72,053)	1,174,389
Segment profit (loss)	14,679	35,573	2,409	(1,569)	51,092	(2,976)	48,116	(2,295)	45,821
Segment assets	271,700	364,830	159,029	50,421	845,980	63,233	909,213	—	909,213
Other items									
Depreciation and amortization	12,666	8,705	3,482	276	25,129	11,250	36,379	(1,173)	35,206
Capital expenditures	11,038	17,083	3,321	21,806	53,248	27,147	80,395	(1,048)	79,347
Investments accounted for using the equity method	277	545	11,588	—	12,410	—	12,410	—	12,410

(Note) 1. “Others” refers to operating segments not included in the reportable segments, such as the

- Baseball and Ballpark Business and New Business, etc.
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 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, 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. Reclassifications have been made to the information for the year ended March 31, 2021, based on operating segment information for the year ended March 31, 2022.
  9. The amounts of net sales, profits, and losses, and capital expenditures of The Marine Foods Corporation, its subsidiaries, etc. included in the Processed Foods Business Division have been reclassified to “Transfer to discontinued operations.”

## 2. Per share information

### 1) Basic earnings per share

	Year ended March 31, 2021 (April 1, 2020 through March 31, 2021)	Year ended March 31, 2022 (April 1, 2021 through March 31, 2022)
Basic earnings per share (yen)	317.97	469.92
Continuing operations	311.13	380.87
Discontinued operations	6.84	89.05
Basis for calculation:		
Profit attributable to owners of the parent (millions of yen)	32,616	48,049
Amount not attributable to owners of the parent (millions of yen)	—	—
Profit used in the calculation of basic earnings per share (millions of yen)	32,616	48,049
Continuing operations	31,914	38,944
Discontinued operations	702	9,105
Weighted-average number of shares of common stock (thousands of shares)	102,576	102,251

2) Diluted earnings per share

	Year ended March 31, 2021 (April 1, 2020 through March 31, 2021)	Year ended March 31, 2022 (April 1, 2021 through March 31, 2022)
Diluted earnings per share (yen)	317.89	469.81
Continuing operations	311.05	380.78
Discontinued operations	6.84	89.03
Basis for calculation:		
Profit used in the calculation of basic earnings per share (millions of yen)	32,616	48,049
Adjustment to profit (millions of yen)	—	—
Profit used in the calculation of diluted earnings per share (millions of yen)	32,616	48,049
Continuing operations	31,914	38,944
Discontinued operations	702	9,105
Weighted-average number of shares of common stock used in the calculation of basic earnings per share (thousands of shares)	102,576	102,251
Dilutive effect of stock options granted (thousands of shares)	28	25
Weighted-average number of shares of common stock used in the calculation of diluted earnings per share (thousands of shares)	102,604	102,276

(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.



### 3. Note on discontinued operations

#### 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, for the year ended March 31, 2022, the marine products business relating to Marine Foods has been classified as discontinued operations, and it has been reclassified and presented as discontinued operations for the previous fiscal year as well.

#### 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, percentage of ownership after the sale, and gain or loss on sale

Numbers 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, 2021 (April 1, 2020 through March 31, 2021)	Year ended March 31, 2022 (April 1, 2021 through March 31, 2022)
Net sales	69,750	72,053
Gain (loss) on sales of business	—	12,037
Other profit (loss)	(68,480)	(70,951)
Profit before tax from discontinued operations	1,270	13,139
Income tax expense (Note)	(563)	(4,190)
Profit from discontinued operations	707	8,949

(Note) Income tax expense for the year ended March 31, 2022 includes income tax of ¥3,448 million on the gain on sales of business.

4. Significant subsequent events

Not applicable.

The year ended March 31, 2022

**Supplementary materials**

**NH Foods Ltd.**

**May 10, 2022**

**I Financial Highlights**

Consolidated Accounts

(millions of yen)

	Year ended March 31, 2020 (results)	Year ended March 31, 2021 (results)	Year ended March 31, 2022 (results)	The percentages indicate the rates of increase (decrease) from the previous fiscal year	Year ending March 31, 2023 (plan)
Net sales	1,229,826	1,106,351	1,174,389	6.1%	1,240,000
Gross profit	205,530	198,454	200,028	0.8%	
Business profit	43,772	52,426	48,116	(8.2)%	46,000
Profit before tax	27,039	47,604	51,366	7.9%	44,500
Equity attributable to owners of the parent	19,214	32,616	48,049	47.3%	33,000

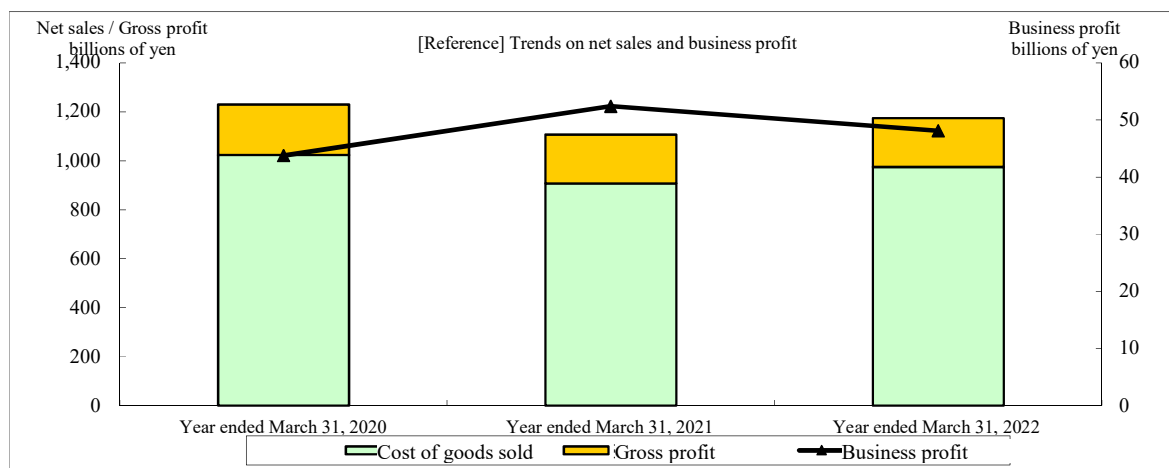
(Note) Figures for the year ended March 31, 2020 include discontinued operations.

Gross profit margin	16.7%	17.9%	17.0%
Business profit margin	3.6%	4.6%	3.9%
Return on equity (ROE)	4.8%	7.8%	10.5%
Return on invested capital (ROIC)	5.3%	5.9%	5.0%

3.7%
6.7%
4.4%

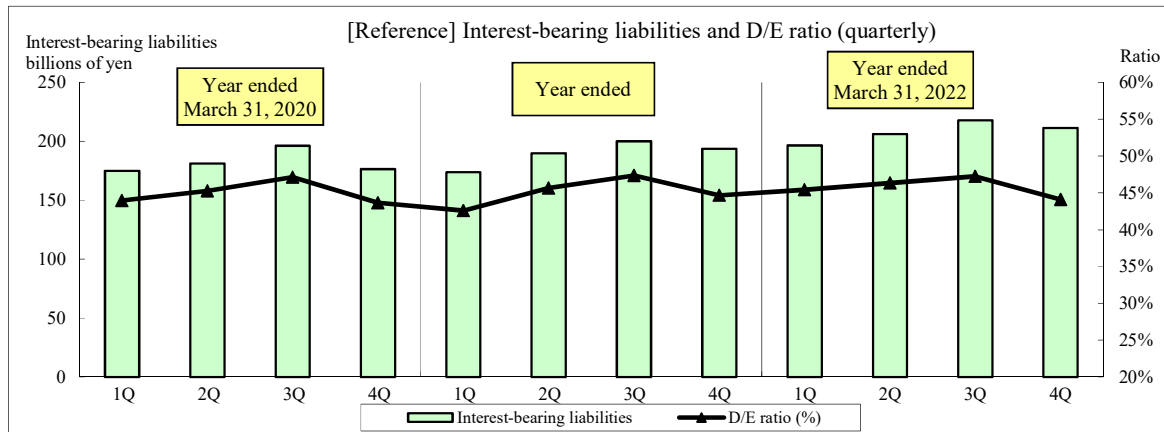
(Note) Figures for the year ended March 31, 2020 include discontinued operations.

Business profit margin was calculated using business profit after adjustment on discontinued operations.

**Trends on net sales and business profit (From year ended March 31, 2020 to year ended March 31, 2022)****Trends on net sales and business profit (on quarterly basis from Q1 FY2020/3 to Q4 FY2022/3)**

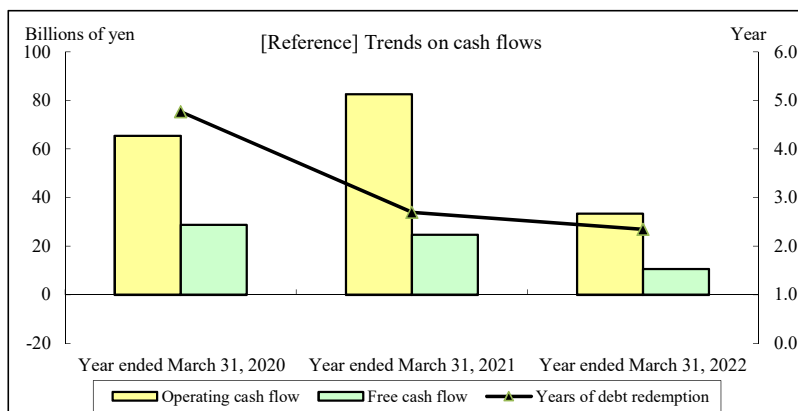
(millions of yen)

	Year ended March 31, 2020 (results)	Year ended March 31, 2021 (results)	Year ended March 31, 2022 (results)	The percentages indicate the rates of increase (decrease) from the previous fiscal year	Year ending March 31, 2023 (plan)
Total assets	768,861	825,405	909,213	10.2%	
Total equity attributable to owners of the parent	404,414	433,595	479,069	10.5%	
Interest-bearing liabilities	176,493	193,750	211,407	9.1%	
D/E ratio	0.44	0.45	0.44		
Capital expenditures	47,802	82,902	80,395	(3.0)%	94,200
Depreciation expense	33,038	33,939	36,379	7.2%	37,700



(millions of yen)

	Year ended March 31, 2020 (results)	Year ended March 31, 2021 (results)	Year ended March 31, 2022 (results)
Operating cash flow	65,464	82,518	33,387
Investment cash flow	(36,728)	(57,827)	(22,837)
Financial cash flow	(3,077)	(14,934)	(12,162)
Effect of exchange rate changes on cash and cash equivalents	(1,368)	1,675	3,155
Net increase (decrease) in cash flow	24,291	11,432	1,543
Cash and cash equivalents at the end of the period	72,399	83,831	85,374



## II Segment Information

(millions of yen)

	Consolidated year ended March 31, 2021 (April 1, 2020 through March 31, 2021)		Consolidated year ended March 31, 2022 (April 1, 2021 through March 31, 2022)		Increase (decrease) from the previous fiscal year	
	Amount	% of sales	Amount	% of sales	Amount	The rate of increase (decrease)
<b>Processed Foods Business Division</b>						
Sales to external customers	463,526	94.7%	469,953	94.6%	6,427	1.4%
Intersegment sales	25,836	5.3%	26,747	5.4%	911	3.5%
Total net sales	489,362	100.0%	496,700	100.0%	7,338	1.5%
Segment profit	17,977	3.7%	14,679	3.0%	(3,298)	(18.3)%
<b>Fresh Meats Business Division</b>						
Sales to external customers	591,576	90.1%	621,531	91.0%	29,955	5.1%
Intersegment sales	65,092	9.9%	61,770	9.0%	(3,322)	(5.1)%
Total net sales	656,668	100.0%	683,301	100.0%	26,633	4.1%
Segment profit	41,243	6.3%	35,573	5.2%	(5,670)	(13.7)%
<b>Overseas Business Division</b>						
Sales to external customers	112,155	50.1%	142,799	53.4%	30,644	27.3%
Intersegment sales	111,494	49.9%	124,824	46.6%	13,330	12.0%
Total net sales	223,649	100.0%	267,623	100.0%	43,974	19.7%
Segment profit (loss)	(104)	(0.0)%	2,409	0.9%	2,513	—
<b>Others</b>						
Sales to external customers	8,581	73.0%	10,631	77.0%	2,050	23.9%
Intersegment sales	3,177	27.0%	3,178	23.0%	1	0.0%
Total net sales	11,758	100.0%	13,809	100.0%	2,051	17.4%
Segment loss	(1,778)	(15.1)%	(1,569)	(11.4)%	209	—
<b>Eliminations, adjustments and others</b>						
Net sales	(205,336)		(214,991)		(9,655)	
Segment profit	(4,912)		(2,976)		1,936	
<b>Consolidated (before adjustment for discontinued operations)</b>						
Total net sales	1,176,101	100.0%	1,246,442	100.0%	70,341	6.0%
Segment profit	52,426	4.5%	48,116	3.9%	(4,310)	(8.2)%
<b>Transfer to discontinued operations</b>						
Total net sales	(69,750)		(72,053)		(2,303)	
Segment profit	(1,894)		(2,295)		(401)	
<b>Consolidated (after adjustment for discontinued operations)</b>						
Total net sales	1,106,351	100.0%	1,174,389	100.0%	68,038	6.1%
Segment profit	50,532	4.6%	45,821	3.9%	(4,711)	(9.3)%

(Note) 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.

[Reference Information: Breakdown of Overseas Business Division]

	Consolidated year ended March 31, 2021 (April 1, 2020 through March 31, 2021)		Consolidated year ended March 31, 2022 (April 1, 2021 through March 31, 2022)		Increase (decrease) from the previous fiscal year	
	Amount	% of sales	Amount	% of sales	Amount	The rate of increase (decrease)
<b>Asia and Europe</b>						
Sales to external customers	23,324	41.3%	26,301	40.6%	2,977	12.8%
Intersegment sales	33,099	58.7%	38,470	59.4%	5,371	16.2%
Total net sales	56,423	100.0%	64,771	100.0%	8,348	14.8%
Segment loss	(818)	(1.4)%	(428)	(0.7)%	390	—
<b>Americas</b>						
Sales to external customers	20,288	23.0%	25,614	25.5%	5,326	26.3%
Intersegment sales	67,762	77.0%	74,872	74.5%	7,110	10.5%
Total net sales	88,050	100.0%	100,486	100.0%	12,436	14.1%
Segment profit	2,722	3.1%	1,198	1.2%	(1,524)	(56.0)%
<b>Australia</b>						
Sales to external customers	68,543	84.7%	90,884	86.4%	22,341	32.6%
Intersegment sales	12,404	15.3%	14,309	13.6%	1,905	15.4%
Total net sales	80,947	100.0%	105,193	100.0%	24,246	30.0%
Segment profit (loss)	(1,048)	(1.3)%	2,585	2.5%	3,633	—

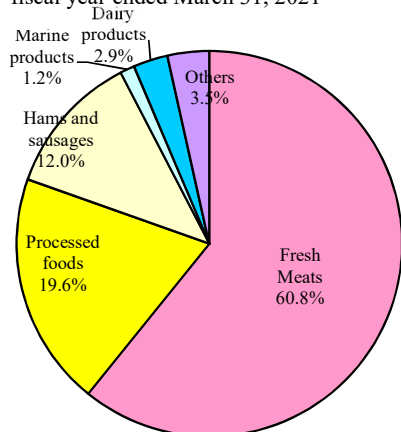
(Note) Due to intersegment eliminations, the figures above do not agree with those of "Overseas Business Division" in the segment section.

### III Breakdown of Consolidated Net Sales

(millions of yen)

	Year ended March 31, 2021 (results)		Year ended March 31, 2022 (results)		The percentages indicate the rates of increase (decrease) from the previous fiscal year	Year ending March 31, 2023 (plan)	
		Composition ratio		Composition ratio			Composition ratio
Hams and sausages	132,425	12.0%	131,147	11.2%	(1.0)%	132,000	10.6%
Processed foods	216,902	19.6%	224,976	19.2%	3.7%	227,000	18.3%
Fresh Meats	672,880	60.8%	722,843	61.5%	7.4%	774,000	62.4%
Marine products	13,496	1.2%	16,224	1.4%	20.2%	16,000	1.3%
Dairy Products	31,967	2.9%	35,214	3.0%	10.2%	36,000	2.9%
Others	38,681	3.5%	43,985	3.7%	13.7%	55,000	4.5%
Total	1,106,351	100.0%	1,174,389	100.0%	6.1%	1,240,000	100.0%

Percentage of consolidated sales for the  
fiscal year ended March 31, 2021



Percentage of consolidated sales for the  
fiscal year ended March 31, 2022

