



NH Foods Ltd.

4-9, Umeda 2-chome, kita-ku,
Osaka, 530-0001, Japan

August 2, 2021

BRIEF STATEMENT OF ACCOUNTS
FOR THE FIRST QUARTER OF THE YEAR ENDING MARCH 31, 2022

(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/
Representative:	Yoshihide Hata President and Representative Director
Further inquiries:	Yoshitaka Hasegawa Executive Officer and General Manager of Accounting & Finance Department
TEL:	+81-6-7525-3042
Scheduled date of filing of quarterly report:	August 10, 2021
Scheduled date of payment of dividends:	-
Preparation of supplementary information on quarterly statement of accounts:	Yes
Holding of quarterly results briefing:	Yes (results briefing for institutional investors and analysts)

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

1. Consolidated business results for the first quarter of the year ending March 31, 2022 (April 1, 2021 through June 30, 2021):

(1) Consolidated operating results (cumulative):

(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, 2022	294,947	5.6	12,425	34.6	14,739	13.1	9,996	10.3	9,906	5.6	8,414	(32.8)
First quarter of the year ended 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

(yen)

	Earnings per share (basic)	Earnings per share (diluted)
First quarter of the year ending March 31, 2022	96.94	96.91
First quarter of the year ended March 31, 2021	91.18	91.15

(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, 2022	824,388	443,172	432,429	52.5
Year ended March 31, 2021	825,405	444,309	433,595	52.5

2. State of dividends:

(yen)

	Annual dividend				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
Year ended March 31, 2021	—	—	—	94.00	94.00
Year ending March 31, 2022	—	—	—	—	—
Year ending March 31, 2022 (forecast)	—	—	—	100.00	100.00

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

3. Forecast of consolidated business results for the year ending March 31, 2022 (April 1, 2021 through March 31, 2022):

(The percentages indicate the rates of increase (decrease) from the previous fiscal year for 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	1.1	24,000	9.5	24,000	(16.5)	17,000	(12.7)	166.38
Whole-year period	1,180,000	0.3	48,000	(8.4)	43,000	(12.0)	30,000	(8.0)	293.62

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

* 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, 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 period:

First quarter of the year ending March 31, 2022:	764,546 shares
Year ended March 31, 2021:	784,890 shares

- 3) Average number of shares outstanding during the period:
- | | |
|--|--------------------|
| First quarter of the year ending March 31, 2022: | 102,185,139 shares |
| First quarter of the year ended March 31, 2021: | 102,919,883 shares |

(Note) The number of shares of treasury stock as of the end of the period includes the number of the Company's shares (139,387 shares for the first quarter of the year ending 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 period includes the number of the Company's shares held by the BIP Trust. In addition, the number of shares of treasury stock as of the end of the period includes the number of the Company's shares (590,400 shares for the first quarter of the year ending 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 period includes the number of the Company's shares held by the Trust.

- * A brief statement of accounts for a quarter is not subject to quarterly review.
- * Explanation for the appropriate use of the forecast of business results and other special instructions

(Cautionary notice on information about the future)

The descriptions herein about the future, including the forecast of business results, are based on the information currently available to the Company and certain assumptions considered reasonable by the Company and are not contemplated to ensure the fulfillment thereof. The actual results may materially differ from such forecast and plans depending on various factors. The Company, therefore, wishes to caution that readers should not place undue reliance on these descriptions to make investment decisions. Further, unless obligated by laws or ordinances or the rules of financial instruments exchanges, the Company will not necessarily, or is not obligated to, revise such descriptions about the future, including the forecast of business results notwithstanding any information or event in the future or any result arising therefrom, or publicize such revised information. For information on the conditions precedent to the forecast of business results and cautionary notes for the use of the forecast of business results, please refer to "1. Qualitative Information on the 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 10.

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* The Company is planning to hold a financial results briefing for institutional investors and analysts on Monday, August 2, 2021. All materials to be used at the conference will be disclosed on TDnet and posted on its website today.

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

1. Qualitative Information on the Statement of Accounts for the 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 showed ongoing signs of recovery while it continued to face a difficult situation due to the impact of COVID-19, but the situation has become increasingly weak in some areas.

The food and fresh meats industry is showing some positive signs such as steady sales in consumer products due to rising demand for dining at home and for stocking up on food after the declaration of a state of emergency in April last year, and a gradual recovery of commercial-use products from the decline due to the slump in demand from restaurants. However, the outlook remains unpredictable.

Under these circumstances, NH Foods Ltd. and its subsidiaries (the “Group”) promoted business development based on our four management policies: “Shift to a sustainable business model that can generate profits,” “Build a growth model for the overseas business,” “Provide new value through new products and services” and “Strengthen corporate functions to achieve the vision” under the “Medium-Term Management Plan 2023” that commenced in April 2021 as a milestone in pursuing our “ideals for 2030”: NH Foods Group “Vision 2030”—“Unleash new potentials for protein.” In the first quarter of the fiscal year under review, our initiatives in Japan included maintaining a stable supply system through thorough countermeasures against COVID-19, and strengthening our procurement, production, logistics and sales structures to flexibly respond to changes in the environment against the backdrop of the establishment of a new lifestyle and growing awareness of social issues represented by the SDGs. In addition, we worked on the challenges of new areas such as Direct to Consumer (D2C), the Hokkaido project with an eye to the opening of the new stadium in 2023 and the promotion of Digital Transformation (DX) to strengthen our management base. Overseas, the Group continued to take measures to minimize the impact of COVID-19 and worked to secure suppliers for a stable supply to Japan. As for the management system, the Group made efforts for the improvement in accordance with “NH Foods Group Fundamental Policy on Corporate Governance.”

As a result of these activities, for the first quarter of the fiscal year under review on a consolidated and cumulative basis, net sales increased by 5.6% from the same period of the previous fiscal year to ¥294,947 million. Business profit increased by 34.6% to ¥12,425 million, and profit before tax increased by 13.1% to ¥14,739 million. Profit attributable to owners of the parent increased by 5.6% to ¥9,906 million, compared to the same period of the previous fiscal year.

Overview of Operating Segments

From the first quarter of the fiscal year under review, the Company disclosed the Baseball and Ballpark Business and the New Business, etc. in the “Others” category for the purpose of expanding into new business areas.

(Processed Foods Business Division)

In the hams and sausages business, overall sales decreased from the same period of the previous fiscal year despite our efforts on sales promotion of the main product “*SCHAU ESSEN*” at mass retailer channels and TV commercials for new products featuring famous celebrities to attract younger customers, although sales to major convenience store and restaurant channels increased.

In the processed foods business, sales to mass retailer channels remained strong owing to significant growth in the pizza category, including the main product “*Ishigama Kobo*,” due to increased demand for snacks, and roll-out of the new product “*Ajiwai Range*,” which can be stored at room temperature. Moreover, sales to convenience store and restaurant channels including barbecue restaurants increased, bringing the overall sales of the processed foods business to increase from the same period of the previous fiscal year.

In the dairy products business, sales of the main product “*Vanilla Yoghurt*” remained strong, and sales of commercial-use cheese for the bakery route and restaurant channels recovered. As a result, sales were higher than that of the same period of the previous year.

In the marine products business, we worked to expand sales of sushi toppings and diced salmon, and sales to mass retailer channels grew. Further, sales to restaurant channels including sushi restaurants also increased. As a result, sales were higher than that of the same period of the previous year.

In terms of profit of the Processed Foods Business Division as a whole, an increase was achieved mainly due to the improved gross profit rate in line with improved product mix associated with the growth of main brand products, although expenses also increased due to advertising expenses for brand development and upfront costs for establishing DX.

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 increased by 3.4% from the same period of the previous fiscal year to ¥118,265 million, and business profit increased by 20.7% to ¥3,323 million.

(Fresh Meats Business Division)

In the sales division, while sales to mass retailers remained strong owing to an increase in demand for dining at home due to the impact of COVID-19, unit sales price declined comparing to the same period of the previous fiscal year. In addition, the restaurant and wholesale markets continued to face a severe environment, and the overall sales of the Fresh Meats Business Division struggled. Under these circumstances, the Group shifted its focus of domestic sales to the growing category of mass retailers, and proposed products and services that meet customer needs. At the same time, the Group’s branded fresh meats, “*Sakurahime*” domestic chicken featured the “Blooming Smile *Sakurahime* Campaign” for remote spectators of Cerezo Osaka’s sponsored games. Further, we worked on new promotions using digital technology to maintain and expand sales volume.

In the procurement division, although we struggled to secure products for import due to labor shortages and shipping delays due to the effects of COVID-19 in the countries of origin, we strived to meet the needs of our customers and secured profit by leveraging our procurement network, which is one of our strengths, cultivating new suppliers and purchasing from our Group bases including Uruguay beef.

In the production division, despite our efforts to improve internal costs, profit decreased, significantly affected by the surge in the feed market.

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 increased by 1.3% from the same period of the previous fiscal year to ¥162,599 million, and business profit increased by 11.7% to ¥9,524 million.

(Overseas Business Division)

In Asia and Europe operations, net sales fell below that of the same period of the previous year due to a decrease in sales from the U.K. to Japan, despite strong sales in Thailand and Turkey. Profit was higher compared to the same period of the previous fiscal year, mainly due to an increase in sales volume in Thailand, a recovery in sales volume in Singapore, lower raw material prices in China and higher sales prices in Turkey.

In Americas operations, net sales were higher than that of the same period of the previous year due to steady growth in the volume of pork exports and sales volumes of processed food at mass retailers in the U.S. as well as an increase in the volume of pork exports from Chili and Mexico. Profit declined, however, due to higher raw material prices of pork for exports and processed food in the U.S.

In Australia operations, net sales were higher than that of the same period of the previous year due to strong domestic sales in Australia, despite the temporary suspension of sales from Uruguay to China. Profit increased, however, due to favorable sales prices in Australia, despite continued high cattle collection prices in Australia and a decrease in the number of cattle collected. On the other hand, in Uruguay, profit decreased as sales volume declined due to the temporary suspension of sale to China.

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 increased by 8.4% from the same period of the previous fiscal year to ¥60,442 million, and recorded a business loss of ¥229 million (a business loss of ¥110 million for the same period of previous fiscal year).

(Others)

Hokkaido Nippon-Ham Fighters, representing the Baseball and Ballpark Business, increased net sales and profit from the same period of the previous fiscal year because the last season's opening significantly delayed and many games were held without spectators. However, the results are struggling against the plan this season as well because the number of attendances are restricted due to the COVID-19 pandemic and viewer sentiment has toned down. The Group will continue to take all possible COVID-19 countermeasures under the guidance of authorities, and manage its games so that guests can visit the stadium with a peace of mind.

In the health support business operated by the Research & Development Center, net sales and profit were higher than the same period of the previous fiscal year as a result of sales promotion activities in Japan and overseas, including online seminars and business negotiations for functional food ingredients at Food Ingredients China 2021 held in Shanghai.

In the New Business, etc., we aim to accelerate efforts in new growth areas with an eye on future changes in the environment, promote their actual commercialization and foster a culture of challenge in the Group. To this end, the Group established the New Business Development Department on April 1, 2021 and has been studying products and services to attract new customer segments.

As a result, for the first quarter of the fiscal year under review on a consolidated and cumulative basis, net sales of the Others segment increased by 98.6% from the same period of the previous fiscal year to ¥4,408 million, and business profit amounted to ¥377 million (a business loss of ¥411 million for the same period of 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 decreased by 0.1% from the end of the previous fiscal year to ¥824,388 million, as cash and cash equivalents decreased by ¥9,930 million, property, plant and equipment decreased by ¥2,245 million and other financial assets decreased by ¥3,812 million, although inventories and biological assets increased by ¥14,861 million and ¥1,515 million, respectively. Liabilities amounted to ¥381,216 million, almost the same amount as that of the end of the previous fiscal year, as interest-bearing liabilities and trade and other payables increased by ¥2,709 million and ¥7,977 million, respectively although income taxes payable decreased by ¥8,355 million. Interest-bearing liabilities stood at ¥196,459 million.

Total equity attributable to owners of the parent decreased by ¥1,166 million from the end of the previous fiscal year to ¥432,429 million, and the equity ratio of owners of the parent was 52.5%, which was almost the same as that of the end of the previous fiscal year.

<Cash flows>

With regard to operating activities, the increase in inventories amounted to ¥14,981 million, and income tax paid amounted to ¥9,960 million, while profit before tax amounted to ¥14,739 million, depreciation and amortization expense amounted to ¥8,949 million, and the increase in trade and other payables amounted to ¥8,105 million. As a result, net cash provided by operating activities amounted to ¥12,554 million.

With regard to investing activities, acquisition of fixed assets amounted to ¥14,747 million. As a result, net cash used in investing activities amounted to ¥14,771 million.

With regard to financing activities, increase in short-term bank loans amounted to ¥5,069 million, and proceeds from debt amounted to ¥8,843 million, while cash dividends amounted to ¥9,610 million, and repayments of debt amounted to ¥11,976 million. As a result, net cash used in financing activities amounted to ¥7,649 million.

As a result, cash and cash equivalents at the end of the first quarter of the fiscal year under review decreased by ¥9,930 million from the end of the previous fiscal year to ¥73,901 million.

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

There are no changes to the forecast of consolidated business results for the cumulative second quarter and the whole-year period of the year ending March 31, 2022 from the future outlook announced in the “Brief Statement of Accounts for the Year Ended March 31, 2021” dated May 10, 2021.

Cautionary notice on information about the future

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

2. Condensed Consolidated Financial Statements and Primary Notes

(1) Condensed Consolidated Statements of Financial Position

	Year ended March 31, 2021 (as of March 31, 2021)	First quarter of the year ending March 31, 2022 (as of June 30, 2021)
(millions of yen)		
(Assets)		
Current Assets		
Cash and cash equivalents	83,831	73,901
Trade and other receivables	127,067	125,843
Inventories	107,906	122,767
Biological assets	23,581	25,080
Other financial assets	15,082	13,106
Other current assets	8,561	9,162
Total Current Assets	366,028	369,859
Non-current Assets		
Property, plant and equipment	325,629	323,384
Right-of-use assets	38,362	37,360
Biological assets	1,314	1,330
Intangible assets and goodwill	10,608	11,443
Investments accounted for using the equity method	9,011	9,145
Other financial assets	35,796	33,960
Deferred tax assets	26,056	25,653
Other non-current assets	12,601	12,254
Total Non-current Assets	459,377	454,529
Total Assets	825,405	824,388
(Liabilities and Equity)		
Current Liabilities		
Interest-bearing liabilities	59,322	63,605
Trade and other payables	98,983	106,960
Income taxes payable	9,748	1,393
Other financial liabilities	25,290	20,007
Other current liabilities	35,822	39,383
Total Current Liabilities	229,165	231,348
Non-current Liabilities		
Interest-bearing liabilities	134,428	132,854
Retirement benefit liabilities	14,543	14,489
Other financial liabilities	683	687
Deferred tax liabilities	581	143
Other non-current liabilities	1,696	1,695
Total Non-current Liabilities	151,931	149,868
Total Liabilities	381,096	381,216

(millions of yen)

	Year ended March 31, 2021 (as of March 31, 2021)	First quarter of the year ending March 31, 2022 (as of June 30, 2021)
Equity		
Common stock	36,294	36,294
Capital surplus	71,240	71,268
Retained earnings	320,577	320,877
Treasury stock, at cost	(3,532)	(3,441)
Accumulated other comprehensive income	9,016	7,431
Total Equity Attributable to Owners of the Parent	433,595	432,429
Non-controlling Interests	10,714	10,743
Total Equity	444,309	443,172
Total Liabilities and Equity	825,405	824,388

(Note) Breakdown of accumulated other comprehensive income

	Year ended March 31, 2021	First quarter of the year ending March 31, 2022
Financial assets measured at fair value through other comprehensive income	9,954	8,711
Exchange differences on translation of foreign operations	(938)	(1,280)

(2) Condensed Consolidated Statements of Income

(millions of yen)

	Cumulative first quarter of the year ended March 31, 2021 (consolidated) (April 1, 2020 through June 30, 2020)	Cumulative first quarter of the year ending March 31, 2022 (consolidated) (April 1, 2021 through June 30, 2021)
Net Sales	279,305	294,947
Cost of Goods Sold	229,069	239,800
Selling, General and Administrative Expenses	38,797	40,385
Other Income	1,622	640
Other Expenses	553	1,137
Financial Income	818	245
Financial Costs	407	512
Share of Profit in Investments Accounted for Using the Equity Method	116	741
Profit before Tax	13,035	14,739
Income Tax Expense	3,972	4,743
Profit	9,063	9,996
Profit Attributable to:		
Owners of the Parent	9,384	9,906
Non-controlling Interests	(321)	90
Profit	9,063	9,996

Earnings per Share		
Earnings per share (basic)	91.18 yen	96.94 yen
Earnings per share (diluted)	91.15 yen	96.91 yen

(3) Condensed Consolidated Statements of Comprehensive Income

(millions of yen)

	Cumulative first quarter of the year ended March 31, 2021 (consolidated) (April 1, 2020 through June 30, 2020)	Cumulative first quarter of the year ending March 31, 2022 (consolidated) (April 1, 2021 through June 30, 2021)
Profit	9,063	9,996
Other Comprehensive Income (Loss)		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit plans	—	(1)
Financial assets measured at fair value through other comprehensive income	1,926	(1,244)
Total	1,926	(1,245)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	1,290	(294)
Share of other comprehensive income of investments accounted for using the equity method	236	(43)
Total	1,526	(337)
Total Other Comprehensive Income (Loss)	3,452	(1,582)
Comprehensive Income	12,515	8,414
Comprehensive Income Attributable to:		
Owners of the Parent	12,769	8,319
Non-controlling Interests	(254)	95
Comprehensive Income	12,515	8,414

(4) Condensed Consolidated Statements of Changes in Equity

Consolidated cumulative first quarter of the year ended 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	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			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

Consolidated cumulative first quarter of the year ending March 31, 2022 (April 1, 2021 through June 30, 2021)

(millions of yen)

	Equity attributable to owners of the parent								Total	Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income			Subtotal			
					Remeasurement of defined benefit plans	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations				
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			9,906					—	9,906	90	9,996
Other comprehensive loss					(1)	(1,244)	(342)	(1,587)	(1,587)	5	(1,582)
Comprehensive income	—	—	9,906	—	(1)	(1,244)	(342)	(1,587)	8,319	95	8,414
Dividends			(9,604)					—	(9,604)	(6)	(9,610)
Acquisition of treasury stock				(1)				—	(1)	—	(1)
Disposal of treasury stock		2		92				—	94	—	94
Share-based payment transactions		26						—	26	—	26
Other		0						—	0	(60)	(60)
Transfer of accumulated other comprehensive income to retained earnings			(2)		1	1		2	—	—	—
Total transactions with owners	—	28	(9,606)	91	1	1	—	2	(9,485)	(66)	(9,551)
Balance as of June 30, 2021	36,294	71,268	320,877	(3,441)	—	8,711	(1,280)	7,431	432,429	10,743	443,172

(5) Condensed Consolidated Statements of Cash Flows:

(millions of yen)

	Cumulative first quarter of the year ended March 31, 2021 (April 1, 2020 through June 30, 2020)	Cumulative first quarter of the year ending March 31, 2022 (April 1, 2021 through June 30, 2021)
Cash Flows from Operating Activities		
Profit before tax	13,035	14,739
Depreciation and amortization expense	8,433	8,949
Impairment losses	141	450
Decrease (increase) in fair value of biological assets	(1,368)	(1,679)
Financial income and costs	(411)	267
Decrease (increase) in trade and other receivables	7,466	1,096
Decrease (increase) in inventories	(10,719)	(14,981)
Decrease (increase) in biological assets	1,264	(80)
Decrease (increase) in other assets	(586)	68
Increase (decrease) in trade and other payables	175	8,105
Increase (decrease) in other liabilities	3,796	3,534
Others—net	(130)	1,571
Interest received	76	20
Dividends received	709	772
Interest paid	(245)	(317)
Income tax paid	(3,583)	(9,960)
Cash Flows from Operating Activities	18,053	12,554
Cash Flows from Investing Activities		
Acquisition of fixed assets	(13,528)	(14,747)
Proceeds from sales of fixed assets	3	9
Decrease (increase) in time deposits	(33)	(11)
Acquisition of other financial assets	(123)	(23)
Sale and redemption of other financial assets	13	10
Others—net	(44)	(9)
Cash Flows from Investing Activities	(13,712)	(14,771)
Cash Flows from Financing Activities		
Cash dividends	(9,268)	(9,610)
Increase (decrease) in short-term bank loans	(6,179)	5,069
Proceeds from debt	9,271	8,843
Repayments of debt	(8,453)	(11,976)
Acquisition of treasury stock	(1)	(1)
Proceeds from sales of treasury stock	0	87
Others—net	2	(61)
Cash Flows from Financing Activities	(14,628)	(7,649)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	184	(64)
Net Increase (Decrease) in Cash and Cash Equivalents	(10,103)	(9,930)
Cash and Cash Equivalents at the Beginning of the Period	72,399	83,831
Cash and Cash Equivalents at the End of the Period	62,296	73,901

(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 reportable segments according to the nature of products and services provided, and the geographical areas where it sells products or provides services.

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 Group consists of 80 subsidiaries and 9 associates.

For the consolidated cumulative first quarter of the year ended March 31, 2021 (April 1, 2020 through June 30, 2020):

(millions of yen)

	Processed Foods Business Division	Fresh Meats Business Division	Overseas Business Division	Others	Total	Eliminations, adjustments and others	Consolidated
Net sales							
Sales to external customers	108,368	143,001	26,194	1,456	279,019	286	279,305
Intersegment sales	5,997	17,496	29,558	764	53,815	(53,815)	—
Total	114,365	160,497	55,752	2,220	332,834	(53,529)	279,305
Segment profit (loss)	2,754	8,529	(110)	(411)	10,762	(1,532)	9,230

For the consolidated cumulative first quarter of the year ending March 31, 2022 (April 1, 2021 through June 30, 2021):

(millions of yen)

	Processed Foods Business Division	Fresh Meats Business Division	Overseas Business Division	Others	Total	Eliminations, adjustments and others	Consolidated
Net sales							
Sales to external customers	111,971	148,181	30,867	3,581	294,600	347	294,947
Intersegment sales	6,294	14,418	29,575	827	51,114	(51,114)	—
Total	118,265	162,599	60,442	4,408	345,714	(50,767)	294,947
Segment profit (loss)	3,323	9,524	(229)	377	12,995	(570)	12,425

- (Notes) 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. Figures for the cumulative first quarter of the year ended March 31, 2021 have been reclassified based on operating segment information of the cumulative first quarter of the year ending March 31, 2022.

2. Changes in the accounting policy

Not applicable.

3. Additional information

With respect to the impact of COVID-19, there are no significant changes to the Company's assumptions on matters including its future spread and timing of its containment. The Company has determined that the impact on the cumulative first quarter of the year ending March 31, 2022 was immaterial. However, the Group's financial position and operating results may be greatly affected in the next quarter and the following periods depending on how the situation develops.