

(Translation)

May 10, 2023

**BRIEF STATEMENT OF ACCOUNTS**  
**FOR THE YEAR ENDED MARCH 31, 2023**  

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**(Under IFRS) (Consolidated)**

Name of listed company:	NH Foods Ltd. (the “Company”)
Listing exchange:	Tokyo Stock Exchange
Code number:	2282
URL:	<a href="https://www.nipponham.co.jp/eng/">https://www.nipponham.co.jp/eng/</a>
Representative:	Nobuhisa Ikawa President and Representative Director
Further inquiries:	Satoshi Izumi General Manager of Accounting & Finance Department
TEL:	+81-6-7525-3042
Scheduled date of the Ordinary General Meeting of Shareholders:	June 27, 2023
Scheduled date of payment of dividends:	June 2, 2023
Scheduled date of filing of securities report:	June 28, 2023
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, 2023 (April 1, 2022 through March 31, 2023):**

(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, 2023	1,259,792	9.4	25,596	(46.8)	22,162	(57.2)	15,976	(66.5)	16,637	(65.4)	23,053	(57.4)
Year ended March 31, 2022	1,151,886	—	48,116	(8.2)	51,760	—	47,647	53.4	48,049	47.3	54,172	29.7

	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, 2023	162.44	162.42	3.4	2.4	2.2
Year ended March 31, 2022	469.92	469.81	10.5	5.9	4.0

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

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

Year ended March 31, 2022: ¥9,024 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. Additionally, the beef business relating to Breeders & Packers Uruguay S.A. has been reclassified under discontinued operations from the year ended March 31, 2023. 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, 2022 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 (¥28,191 million for the year ended March 31, 2023 and ¥46,222 million for the year ended March 31, 2022).

(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, 2023	937,155	502,781	492,913	52.6	4,808.70
Year ended March 31, 2022	909,213	489,554	479,069	52.7	4,681.82

(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, 2023	11,331	(63,677)	28,417	64,986
Year ended March 31, 2022	33,387	(22,837)	(12,162)	85,374

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, 2022	–	–	–	102.00	102.00	10,499	21.7	2.3
Year ended March 31, 2023	–	–	–	110.00	110.00	11,324	67.7	2.3
Year ending March 31, 2024 (forecast)	–	–	–	112.00	112.00		49.9	

(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, 2023 and ¥14 million for the year ended March 31, 2022) and dividends on the Company's shares held by the NH Foods Group Employee Shareholding Association Trust (¥34 million for the year ended March 31, 2023 and ¥48 million for the year ended March 31, 2022).

3. Forecast of consolidated business results for the year ending March 31, 2024 (April 1, 2023 through March 31, 2024):

(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)	620,000	0.2	20,000	31.5	22,000	(6.8)	13,000	(16.0)	126.82
Whole-year period	1,260,000	0.0	38,000	48.5	34,000	53.4	23,000	38.2	224.38

\* 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, 2023:	102,958,904 shares
Year ended March 31, 2022:	102,958,904 shares

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

Year ended March 31, 2023:	454,459 shares
Year ended March 31, 2022:	633,488 shares

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

Year ended March 31, 2023:	102,418,686 shares
Year ended March 31, 2022:	102,251,475 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 (131,403 shares for the year ended March 31, 2023 and 137,759 shares for the year ended March 31, 2022) 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 (313,400 shares for the year ended March 31, 2023 and 466,200 shares for the year ended March 31, 2022) 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, 2023 (April 1, 2022 through March 31, 2023):

(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, 2023	810,307	4.5	(10,108)	–	6,972	(67.5)	12,231	(61.7)
Year ended March 31, 2022	775,354	–	1,727	–	21,460	–	31,894	–

	Basic earnings per share	Diluted earnings per share
	(yen)	(yen)
Year ended March 31, 2023	119.42	119.41
Year ended March 31, 2022	311.92	311.85

(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, 2023	593,706	231,646	39.0	2,259.86
Year ended March 31, 2022	538,489	229,090	42.5	2,238.62

(For reference) Net worth:

Year ended March 31, 2023:	¥231,646 million
Year ended March 31, 2022:	¥229,067 million

2. Forecast of non-consolidated business results for the year ending March 31, 2024 (April 1, 2023 through March 31, 2024):

(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)	400,000	1.8	16,200	9.9	18,500	(3.9)	180.48
Whole-year period	820,000	1.2	13,700	96.5	15,100	23.5	147.31

- \* 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 15.

## CONTENTS OF ATTACHMENT

1. Overview of Operating Results, etc.....	9
(1) Overview of Operating Results.....	9
(2) Overview of Financial Position .....	13
(3) Overview of Cash Flows.....	14
(4) Future Outlook .....	15
(5) Fundamental Policy of Profit Allocation and Dividends for the Year Ended March 31, 2023 and the Year Ending March 31, 2024 .....	17
2. Fundamental Approach to Selecting Accounting Standards .....	17
3. Consolidated Financial Statements and Primary Notes .....	18
(1) Consolidated Statements of Financial Position.....	18
(2) Consolidated Statements of Income.....	20
(3) Consolidated Statements of Comprehensive Income .....	21
(4) Consolidated Statements of Changes in Equity .....	22
(5) Consolidated Statements of Cash Flows.....	24
(6) Note on the Premises of a Going Concern.....	25
(7) Significant Matters Forming the Basis for Preparing Consolidated Financial Statements .....	25
(8) Notes to Consolidated Financial Statements.....	25
1. Segment information .....	25
2. Per share information.....	28
3. Note on discontinued operations .....	30
4. Significant subsequent events.....	32
Supplementary materials .....	i–v

- \* 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, 2023 (Wednesday): Online results briefing for institutional investors and analysts
  - May 16, 2023 (Tuesday): Online briefing on the new Medium-Term Management Plan for institutional investors and analysts
  
- \* In addition to the above-mentioned briefing, the Company will hold briefings of its operations and business results for individual investors from time to time. Please check the Company's website for information on the schedules of such briefings, etc.



1. Overview of Operating Results, etc.

(1) Overview of Operating Results

Overview of Operating Results in General

The Japanese economy during the year ended March 31, 2023 showed signs of recovery with the social transition to the system for living with COVID-19. On the other hand, the outlook remained uncertain due to the difficulty in foreseeing effects of the ongoing global monetary tightening, rising prices, supply constraints caused by labor shortage associated with higher costs and logistic delays, instability in financial markets, and other factors.

The food and fresh meats industry continued to face the unprecedentedly difficult situation due to significant changes in the business environment, including continuously soaring raw material prices and rising energy prices, and the resultant price hikes of products that hit household budgets hard, prompting consumers to save money and shift toward lower-priced products.

Under these circumstances, NH Foods Ltd. and its subsidiaries (the “Group”) promoted business development to achieve our “ideals for 2030”: NH Foods Group “Vision 2030”—“Unleash new potentials for protein.”

Specifically, in response to the changes in the business environment, we worked to pass the higher costs on to selling prices, change product specifications, and select suppliers selling products at lower prices and products to meet the needs of cost-conscious consumers. In addition, while focusing on efforts such as expanding sales of branded products, taking power-saving measures to absorb rising energy prices, and streamlining the production division, we worked to strengthen our production, logistics, and sales structures in order to continue delivering safe, secure, and high-quality products to our customers.

As for our sustainability efforts, we have set targets for reducing fossil fuel-derived CO<sub>2</sub> emissions and water consumption in our overseas operations. We also promoted the commercialization of “PIG LABO,” a smart pig farming system that uses AI to diagnose physical conditions of and detect the estrus in pigs.

Regarding the promotion of Digital Transformation (DX), we renewed our accounting system in April 2022. We also reviewed the plan to reform the company-wide operational system to maximize its effectiveness.

In addition, we promoted cross-group projects in the areas of “logistics” and “sales” as business strategies to transform into a sustainable business model and to maximize synergies.

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, 2023 increased by 9.4% from the previous fiscal year to ¥1,259,792 million due to higher sales prices along with soaring market prices for fresh meat mainly in the Fresh Meats and Overseas businesses. Business profit decreased by 46.8% to ¥25,596 million due to a failure to absorb all of the significant increases in raw material, energy, and other prices. Profit before tax decreased by 57.2% to ¥22,162 million due in part to lower business profit, and profit attributable to owners of the parent decreased by 65.4% to ¥16,637 million, compared to the previous fiscal year.

At a meeting of its Board of Directors held on January 31, 2023, The Company determined to transfer all of its shares of consolidated subsidiary Breeders & Packers Uruguay S.A. (“BPU”), to Minerva S.A. to build an optimal business portfolio.

As a result, for the year ended March 31, 2023, the beef business relating to BPU has been classified as discontinued operations, and it has been reclassified and restated as discontinued operations for the previous fiscal year as well.

Breakdown of consolidated net sales

Category	Year ended March 31, 2022 (April 1, 2021-March 31, 2022)		Year ended March 31, 2023 (April 1, 2022-March 31, 2023)		Rate of increase (decrease) from the previous year (%)
	Amount (millions of yen)	Component ratio (%)	Amount (millions of yen)	Component ratio (%)	
Hams and sausages	131,147	11.4	130,161	10.3	(0.8)
Processed foods	224,976	19.5	235,166	18.7	4.5
Fresh meats	702,160	61.0	791,972	62.9	12.8
Dairy products	35,214	3.0	36,194	2.9	2.8
Others	58,389	5.1	66,299	5.2	13.5
Total	1,151,886	100.0	1,259,792	100.0	9.4

Overview of Operating Segments

The Overseas Business Division includes the beef business relating to BPU, which has been classified as discontinued operations.

(Processed Foods Business Division)

In the Processed Foods Business Division as a whole, sales declined from the previous fiscal year with lower sales in consumer products caused by changes in product trends after the price revision, while sales of commercial-use products rose due to factors including the easing of voluntary restrictions on going out amid the COVID-19 pandemic. The earnings environment was also challenging due to higher-than-expected raw material prices and energy prices, which were caused by soaring international grain and crude oil prices as well as a depreciating yen.

Regarding the hams and sausages and deli and processed foods sales results, sales of mainstay brand products were slower than expected while unit sales prices rose due to price revisions. In the hams and sausages business, sales of commercial-use products increased from the previous fiscal year. Meanwhile, sales of consumer products decreased from the previous fiscal year affected by a fall in sales in the first half of the fiscal year, which was not offset by a recovery seen by stepping up sales efforts with the launch of a TV commercial for the main product “*SCHAU ESSEN*,” expanding the buyer base. In the deli and processed foods business, while sales of commercial-use products to restaurant channels increased from the previous fiscal year, sales of consumer products declined due to a slow recovery in sales of “*Chuka Meisai*,” although sales of the mainstay “Chilled Bakery” were strong

thanks to increased demand for snacks.

Extract/primary processing sales results are broken down as follows. In the extracts business, sales of soups to restaurant channels, mainly ramen shops, and commercial-use sauces to ready-made meals channels remained firm as people eased their self-restraint from going out. Meanwhile, in the primary processing business, sales of unheated processed products declined from the previous fiscal year due to a fall in sales to ready-made meals channels.

Dairy products and marine products sales results are broken down as follows. In the cheese business, sales of mainstay commercial-use products to restaurant channels rose due to the easing of the self-restraint in going out. As a result, sales were higher than that of the previous fiscal year. In the yogurt and lactic acid probiotic beverages business, sales of the mainstay consumer product “*Vanilla Yogurt*” to the mass retailer channel declined due to changes in product trends after the price revision, but sales of drink yogurt to convenience store channels grew, resulting in sales on par with the previous fiscal year.

Profit of the Processed Foods Business Division as a whole decreased due to lower sales, a rise primarily in raw material prices and energy prices, and increased upfront costs for the development of DX.

As a result, for the year ended March 31, 2023, consolidated net sales of the Processed Foods Business Division decreased by 15.9% from the previous fiscal year to ¥417,738 million, and business profit decreased by 65.8% from the previous fiscal year to ¥5,018 million.

#### (Fresh Meats Business Division)

In the domestic business, despite our focused efforts on cost reduction in the production division, sales struggled, impacted by the continued high feed and energy prices as in the cumulative third quarter of the fiscal year. Also, despite our efforts to secure product volume through enhancing procurement from external sources and productivity, the volume of domestic pork produced in-house decreased due to a planned reorganization of bases, and shipments of domestic chicken decreased affected by the avian influenza outbreak. Sales of pork and chicken increased from the previous fiscal year with firm market prices, but profit for the business decreased due to higher production costs.

In the import procurement division, procurement prices remained high as demand trended to recover globally amid sluggish production in major producer countries. While sales to restaurants were on a recovery track, we experienced difficulty in passing on prices due to an industry-wide increase in domestic inventories, resulting in a significant decrease in profit.

In the sales division, demand from mass retailers continued to decline due to a growing tendency among consumers to economize and other factors. Against this backdrop, we strived to maintain sales volume levels by carrying out the 20th anniversary campaign for “*Sakurahime*,” a domestic chicken brand and other efforts. Both sales and profit were higher than the previous fiscal year as a result of an increase in sales mainly to restaurant channels with a rapid recovery in inbound sales and the easing of COVID-19-related restrictions on activities.

As a result, for the year ended March 31, 2023, consolidated net sales of the Fresh Meats Business Division increased by 9.8% from the previous fiscal year to ¥750,109 million, and business profit decreased by 18.2% from the previous fiscal year to ¥29,082 million.

(Overseas Business Division)

In Asia and Europe operations, sales were higher than the previous fiscal year due to steady sales of processed products in Vietnam and Taiwan, as well as sustained high sales prices of chicken in Turkey. Profit decreased due to factors including high raw material costs for processed products in Thailand and continued high grain feed costs in Turkey.

In Americas operations, net sales were higher than that of the previous fiscal year due to firm sales of processed food in the U.S. as well as strong pork exports from Chile. Profit increased as raw material prices for export pork and processed products stabilized in the U.S. Other contributing factors include firm sales of processed products and improved transaction terms through local sales efforts.

In Australia operations, sales increased year on year despite having struggles in collecting cattle in Australia, thanks to high market prices in exports and strong sales in Australia, as well as high export market prices in Uruguay. Profit decreased in Australia due to continued high cattle collection prices and high production costs arising from lower factory utilization rates. Uruguay also saw a decrease in profit due in part to sustained high cattle collection prices and soaring labor costs.

As a result, for the year ended March 31, 2023, net sales of the Overseas Business Division increased by 20.1% from the previous fiscal year to ¥321,429 million, and business loss amounted to ¥5,036 million (business profit of ¥2,409 million for the previous fiscal year).

(Others)

Hokkaido Nippon-Ham Fighters, representing the Baseball and Ballpark Business, finished the 2022 regular season in sixth place in the Pacific League. Despite the lingering impact of COVID-19, we implemented various measures to attract more spectators in addition to providing a safe and secure game-watching environment, which led to an attendance of 1,291,000 spectators, a significant increase over the previous season. As a result, both net sales and profit increased from the previous fiscal year.

In the health support business operated by the Research & Development Center, we actively promoted sales activities, including exhibiting at Food Ingredients China 2023 held in China, where the zero-corona policy was relaxed, to introduce functional food ingredients. In the food testing kit category, we developed a testing kit for the detection of walnuts, newly designated as a specified raw material, and launched it in late March.

In the New Business, etc., we took steps to expand sales of D2C (Direct to Consumer) services: “Meatful” and “Table for All.” As a new sustainable business, we launched a brand, “Mealín’ Good,” strengthening our efforts to make effective use of limited resources and to increase food choices.

As a result, for the year ended March 31, 2023, net sales of the Others increased by 23.5% from the previous fiscal year to ¥17,052 million, and business loss amounted to ¥483 million (a business loss of ¥1,569 million for the previous fiscal year).

(2) Overview of Financial Position

Total assets at the end of the fiscal year increased by 3.1% from the end of the previous fiscal year to ¥937,155 million. Current assets increased by 3.3% from the end of the previous fiscal year to ¥428,018 million as inventories increased by 18.3% to ¥141,930 million, reflecting high market prices for fresh meat, and trade and other receivables increased by 7.8% to ¥146,660 million, while cash and cash equivalents decreased by 23.9% to ¥64,986 million, and other financial assets decreased by 63.1% to ¥9,098 million due to loan repayment from companies that were deconsolidated at the end of the previous fiscal year. Non-current assets increased by 2.9% from the end of the previous fiscal year to ¥509,137 million mainly because property, plant and equipment increased by 5.6% to ¥364,381 million due to a construction of a new ballpark, while other financial assets decreased by 21.7% to ¥27,587 million due to the sale of cross-held shares.

Liabilities increased by 3.5% from the end of the previous fiscal year to ¥434,374 million, mainly because interest-bearing liabilities increased by 14.5% to ¥242,055 million due to the issuance of sustainability bonds to individual investors and an increase in short-term bank loans in response to increased demand for working capital, although other financial liabilities decreased by 60.5% to ¥16,914 million, mainly due to a decrease in accounts payable-others in the payment for the new ballpark-related facilities.

Total equity attributable to owners of the parent increased by 2.9% from the end of the previous fiscal year to ¥492,913 million mainly because retained earnings increased by ¥8,489 million.

As a result, the equity ratio of owners of the parent decreased by 0.1 percentage points from the end of previous fiscal year to 52.6%.

(3) Overview of Cash Flows

The states and causes of cash flows are as follows:

	Year ended March 31, 2022	Year ended March 31, 2023	Increase or decrease
	(millions of yen)	(millions of yen)	(millions of yen)
Cash flows from operating activities	33,387	11,331	(22,056)
Cash flows from investing activities	(22,837)	(63,677)	(40,840)
Cash flows from financing activities	(12,162)	28,417	40,579
Effect of exchange rate changes on cash and cash equivalents	3,155	2,476	(679)
Hyperinflation adjustment	—	1,874	1,874
Net increase (decrease) in cash and cash equivalents included in assets held for sale	—	(809)	(809)
Net increase (decrease) in cash and cash equivalents	1,543	(20,388)	(21,931)
Cash and cash equivalents at the end of the year	85,374	64,986	(20,388)

With regard to operating activities, profit before tax amounted to ¥22,162 million and depreciation and amortization expenses amounted to ¥38,433 million, while the increase of inventories amounted to ¥24,451 million and income tax paid amounted to ¥13,558 million. As a result, net cash provided by operating activities amounted to ¥11,331 million.

With regard to investing activities, acquisition of fixed assets amounted to ¥82,261 million, while the decrease in short-term loans receivable amounted to ¥9,994 million. As a result, net cash used in investing activities amounted to ¥63,677 million.

With regard to financing activities, the increase in short-term bank loans amounted to ¥36,504 million, and proceeds from debt amounted to ¥110,358 million, while cash dividends amounted to ¥10,448 million and repayments of debt amounted to ¥108,594 million. As a result, net cash provided by financing activities amounted to ¥28,417 million.

As a result, cash and cash equivalents at the end of the fiscal year decreased by ¥20,388 million from the end of the previous fiscal year to ¥64,986 million.

The trends in cash flow indices are as shown below:

	Year ended March 31, 2022	Year ended March 31, 2023	Increase or decrease
Equity ratio of owners of the parent (%)	52.7	52.6	(0.1)
Equity ratio of owners of the parent on a fair value basis (%)	46.7	41.9	(4.8)
Years for debt redemption (year)	6.3	21.4	15.1
Interest coverage ratio (time)	27.9	6.3	(21.6)

\* 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, we expect recovery trends, such as a recovery in the restaurant market, and an increase in inbound demand, as socioeconomic activities move toward normalcy with the downgrade of COVID-19's category to Class 5. Meanwhile, the situation is expected to remain uncertain due to the increasing geopolitical risk from the prolonged situation in Ukraine, the impact of cost-push inflation from soaring raw material and energy prices, and the trend of monetary policy.

Under these circumstances, the Group will continue to strive to improve its financial and social value by integrating its business and sustainability strategies to achieve our "ideals for 2030": NH Foods Group "Vision 2030"—"Unleash new potentials for protein."

In the Processed Foods Business, we will enhance cost competitiveness by strengthening sales of flagship brand products, building an optimal production system, and developing products from the viewpoints of customers and strengthening branding through a newly established marketing organization.

In the Fresh Meats Business, we will work to expand our market share in fresh meat, which is accompanied by profits, by strengthening specialized organizations for each of our priority

channels, rebuilding the procurement system for imported fresh meat, and furthering sophistication in supply and demand forecasting, as well as increasing productivity in the production business.

In the Overseas Business, we will strive to improve profitability by concentrating on and expanding sales in the processed food product market in North America, and stabilizing earnings in the beef business.

In the Ballpark Business, we aim to generate profits through a new business model where the entire “Hokkaido Ballpark F Village” attracts visitors.

We will also continue our efforts to expand our lineup of plant-derived protein products and commercialize new types of proteins such as cell-based foods.

In addition, we will continue to promote DX efforts to maximize its effectiveness.

The newly established Business Development & Strategy Division aims to deliver results by implementing the cross-business strategy (sales and logistics reforms). The division will also work on building a strong value chain in conjunction with the DX strategy.

Concerning the performance targets for the year ending March 31, 2024, the Group aims to achieve net sales of ¥1,260 billion.

Forecast of consolidated net sales

Category	Year ending March 31, 2024 (April 1, 2023-March 31, 2024)	Rate of increase (decrease) from the previous fiscal year
	(billions of yen)	(%)
Hams and sausages	132.0	1.4
Processed foods	237.0	0.8
Fresh meats	787.0	(0.6)
Dairy products	37.0	2.2
Others	67.0	1.1
Total	1,260.0	0.0

With regard to profits, the Group forecasts business profit of ¥38.0 billion, profit before tax of ¥34.0 billion, and profit attributable to owners of the parent of ¥23.0 billion.

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, 2023 and the Year Ending March 31, 2024

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, 2023, as announced in the brief statement of accounts for the year ended March 31, 2022, ordinary dividends will be ¥110 per share.

For the year ending March 31, 2024, management plans to pay an ordinary dividend of ¥112 per share, based on the above policy, on the assumption of the profit attributable to owners of the parent forecast of ¥23.0 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, 2022 (as of March 31, 2022)	Year ended March 31, 2023 (as of March 31, 2023)
<b>(Assets)</b>		
<b>Current Assets</b>		
Cash and cash equivalents	85,374	64,986
Trade and other receivables	136,017	146,660
Inventories	119,980	141,930
Biological assets	32,755	27,984
Other financial assets	24,648	9,098
Other current assets	15,096	25,171
Assets held for sale	436	12,189
Total Current Assets	414,306	428,018
<b>Non-current Assets</b>		
Property, plant and equipment	345,022	364,381
Right-of-use assets	46,090	40,898
Biological assets	1,240	1,517
Intangible assets and goodwill	15,269	20,193
Investments accounted for using the equity method	12,410	9,087
Other financial assets	35,232	27,587
Deferred tax assets	26,279	31,082
Other non-current assets	13,365	14,392
Total Non-current Assets	494,907	509,137
Total Assets	909,213	937,155
<b>(Liabilities and Equity)</b>		
<b>Current Liabilities</b>		
Interest-bearing liabilities	90,056	102,199
Trade and other payables	103,719	106,027
Income taxes payable	6,494	1,795
Other financial liabilities	42,056	15,806
Other current liabilities	39,594	41,350
Liabilities directly associated with assets held for sale	-	11,359
Total Current Liabilities	281,919	278,536
<b>Non-current Liabilities</b>		
Interest-bearing liabilities	121,351	139,856
Retirement benefit liabilities	12,951	12,394
Other financial liabilities	754	1,108
Deferred tax liabilities	1,045	889
Other non-current liabilities	1,639	1,591
Total Non-current Liabilities	137,740	155,838
Total Liabilities	419,659	434,374

(millions of yen)

	Year ended March 31, 2022 (as of March 31, 2022)	Year ended March 31, 2023 (as of March 31, 2023)
Equity		
Common stock	36,294	36,294
Capital surplus	71,272	71,095
Retained earnings	360,900	369,389
Treasury stock, at cost	(2,856)	(2,057)
Accumulated other comprehensive income	13,459	17,193
Accumulated other comprehensive income of disposal groups classified as held for sale	-	999
Total Equity Attributable to Owners of the Parent	479,069	492,913
Non-controlling Interests	10,485	9,868
Total Equity	489,554	502,781
Total Liabilities and Equity	909,213	937,155

(Note) Breakdown of accumulated other comprehensive income

	Year ended March 31, 2022	Year ended March 31, 2023
Financial assets measured at fair value through other comprehensive income	9,639	6,469
Exchange differences on translation of foreign operations	3,820	10,724

(2) Consolidated Statements of Income

	(millions of yen)	
	Year ended March 31, 2022 (consolidated) (April 1, 2021 through March 31, 2022)	Year ended March 31, 2023 (consolidated) (April 1, 2022 through March 31, 2023)
Net Sales	1,151,886	1,259,792
Cost of Goods Sold	952,971	1,082,760
Selling, General and Administrative Expenses	156,552	166,080
Other Income	10,620	19,098
Other Expenses	8,512	12,191
Financial Income	2,200	3,360
Financial Costs	3,935	1,830
Share of Profit in Investments Accounted for Using the Equity Method	9,024	2,773
Profit before Tax	51,760	22,162
Income Tax Expense	12,955	4,770
Profit from Continuing Operations	38,805	17,392
Profit (loss) from Discontinued Operations – Net of Applicable Income Taxes	8,842	(1,416)
Profit	47,647	15,976
Profit Attributable to:		
Owners of the Parent		
Continuing Operations	39,051	18,053
Discontinued Operations	8,998	(1,416)
Total	48,049	16,637
Non-controlling Interests		
Continuing Operations	(246)	(661)
Discontinued Operations	(156)	–
Total	(402)	(661)
Profit	47,647	15,976

Earnings per Share		
Earnings per share (basic)	469.92 yen	162.44 yen
Continuing operations	381.91 yen	176.27 yen
Discontinued operations	88.01 yen	(13.83) yen
Earnings per share (diluted)	469.81 yen	162.42 yen
Continuing operations	381.82 yen	176.25 yen
Discontinued operations	87.99 yen	(13.83) yen

(3) Consolidated Statements of Comprehensive Income

	(millions of yen)	
	Year ended March 31, 2022 (consolidated) (April 1, 2021 through March 31, 2022)	Year ended March 31, 2023 (consolidated) (April 1, 2022 through March 31, 2023)
Profit	47,647	15,976
Other Comprehensive Income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit plans	1,598	1,056
Financial assets measured at fair value through other comprehensive income	(36)	(1,937)
Total	1,562	(881)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	3,972	7,298
Share of other comprehensive income of investments accounted for using the equity method	991	660
Total	4,963	7,958
Total Other Comprehensive Income	6,525	7,077
Comprehensive Income	54,172	23,053
Comprehensive Income Attributable to:		
Owners of the Parent	54,370	23,659
Non-controlling Interests	(198)	(606)
Comprehensive Income	54,172	23,053

(4) Consolidated Statements of Changes in Equity

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		
					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, 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

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

(millions of yen)

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

(5) Consolidated Statements of Cash Flows

(millions of yen)

	Year ended March 31, 2022 (consolidated) (April 1, 2021 through March 31, 2022)	Year ended March 31, 2023 (consolidated) (April 1, 2022 through March 31, 2023)
<b>Cash Flows from Operating Activities</b>		
Profit before tax	51,760	22,162
Profit (loss) before tax from discontinued operations	12,745	(5,485)
Depreciation and amortization expense	36,464	38,433
Impairment losses (reversal of impairment losses)	2,395	1,840
Decrease (increase) in fair value of biological assets	44	1,027
Financial income and costs	2,826	(1,381)
Loss (gain) on sales of business	(12,037)	460
Decrease (increase) in trade and other receivables	(8,157)	(12,879)
Decrease (increase) in inventories	(22,655)	(24,451)
Decrease (increase) in biological assets	(9,187)	2,651
Decrease (increase) in other assets	(7,455)	(3,379)
Increase (decrease) in trade and other payables	8,552	5,913
Increase (decrease) in other liabilities	4,737	2,514
Others-net	(8,537)	(8,578)
Interest received	355	1,632
Dividends received	3,779	6,221
Interest paid	(1,197)	(1,811)
Income tax paid	(21,045)	(13,558)
<b>Cash Flows from Operating Activities</b>	<b>33,387</b>	<b>11,331</b>
<b>Cash Flows from Investing Activities</b>		
Acquisition of fixed assets	(44,473)	(82,261)
Proceeds from sales of fixed assets	728	2,095
Decrease (increase) in time deposits	4,024	1,152
Acquisition of other financial assets	(130)	(64)
Sale and redemption of other financial assets	929	4,645
Decrease (increase) in short-term loans receivable	-	9,994
Proceeds from sales of business	16,628	3,579
Payments for sales of business	-	(3,166)
Others-net	(543)	349
<b>Cash Flows from Investing Activities</b>	<b>(22,837)</b>	<b>(63,677)</b>
<b>Cash Flows from Financing Activities</b>		
Cash dividends	(9,610)	(10,448)
Increase (decrease) in short-term bank loans	17,065	36,504
Proceeds from debt	27,462	110,358
Repayments of debt	(47,490)	(108,594)
Acquisition from non-controlling interests	(191)	-
Acquisition of treasury stock	(2)	(2)
Proceeds from sales of treasury stock	604	599
Others-net	0	0
<b>Cash Flows from Financing Activities</b>	<b>(12,162)</b>	<b>28,417</b>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	3,155	2,476
Hyperinflation Adjustment	-	1,874
Net Increase (Decrease) in Cash and Cash Equivalents Included in Assets Held for Sale	-	(809)
Net Increase (Decrease) in Cash and Cash Equivalents	1,543	(20,388)
Cash and Cash Equivalents at the Beginning of the Year	83,831	85,374
Cash and Cash Equivalents at the End of the Year	85,374	64,986



(6) Note on the Premises of a Going Concern

Not applicable.

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

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

Number of consolidated subsidiaries:	68 companies
Number of equity-method companies:	6 companies

(8) Notes to Consolidated Financial Statements

1. Segment information

Information regarding the reportable segments

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

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

The Company has classified the marine products business relating to The Marine Foods Corporation, its subsidiaries, etc. as discontinued operation from the fiscal year ended March 31, 2022. In addition, the Company has classified the beef business relating to BPU as discontinued operations from the year ended March 31, 2023. Therefore, the corresponding figures for the year ended March 31, 2022 have been reclassified accordingly. However, figures from discontinued operations, The Marine Foods Corporation, its subsidiaries, etc. included in the Processed Foods Business Division and BPU included in the Overseas Business Division, are included in the respective reportable segments.

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	Eliminations, adjustments and others	Consolidated (before adjustment for discontinued operations)	Transfer to discontinued operations	Consolidated (after adjustment for discontinued operations)
Net sales									
Sales to external customers	469,953	621,531	142,799	10,631	1,244,914	1,528	1,246,442	(94,556)	1,151,886
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	(94,556)	1,151,886
Segment profit (loss)	14,679	35,573	2,409	(1,569)	51,092	(2,976)	48,116	(1,894)	46,222
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	(1,724)	34,655
Capital expenditures	11,038	17,083	3,321	21,806	53,248	27,147	80,395	(1,121)	79,274
Investments accounted for using the equity method	277	545	11,588	—	12,410	—	12,410	—	12,410

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

(millions of yen)

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

(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. “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 2.
7. “Capital expenditures” represent increases in property, plant and equipment, right-of-use assets, and intangible assets.
8. The amounts of net sales, profits, and losses, and capital expenditures of The Marine Foods Corporation, its subsidiaries, etc. included in the Processed Foods Business Division and BPU included in the Overseas Business Division have been reclassified to “Transfer to discontinued operations.”

2. Per share information

1) Basic earnings per share

	Year ended March 31, 2022 (April 1, 2021 through March 31, 2022)	Year ended March 31, 2023 (April 1, 2022 through March 31, 2023)
Basic earnings per share (yen)	469.92	162.44
Continuing operations	381.91	176.27
Discontinued operations	88.01	(13.83)
Basis for calculation:		
Profit attributable to owners of the parent (millions of yen)	48,049	16,637
Amount not attributable to owners of the parent (millions of yen)	—	—
Profit used in the calculation of basic earnings per share (millions of yen)	48,049	16,637
Continuing operations	39,051	18,053
Discontinued operations	8,998	(1,416)
Weighted-average number of shares of common stock (thousands of shares)	102,251	102,419

2) Diluted earnings per share

	Year ended March 31, 2022 (April 1, 2021 through March 31, 2022)	Year ended March 31, 2023 (April 1, 2022 through March 31, 2023)
Diluted earnings per share (yen)	469.81	162.42
Continuing operations	381.82	176.25
Discontinued operations	87.99	(13.83)
Basis for calculation:		
Profit used in the calculation of basic earnings per share (millions of yen)	48,049	16,637
Adjustment to profit (millions of yen)	—	—
Profit used in the calculation of diluted earnings per share (millions of yen)	48,049	16,637
Continuing operations	39,051	18,053
Discontinued operations	8,998	(1,416)
Weighted-average number of shares of common stock used in the calculation of basic earnings per share (thousands of shares)	102,251	102,419
Dilutive effect of stock options granted (thousands of shares)	25	10
Weighted-average number of shares of common stock used in the calculation of diluted earnings per share (thousands of shares)	102,276	102,429

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

3. Note on discontinued operations

(1) Transfer of shares of The Marine Foods Corporation

1) Overview of discontinued operations

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

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

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

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

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

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

4) Profit (loss) from discontinued operations

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

(millions of yen)

	Year ended March 31, 2022 (April 1, 2021 through March 31, 2022)	Year ended March 31, 2023 (April 1, 2022 through March 31, 2023)
Net sales	72,053	—
Gain (loss) on sales of business (Note 1)	12,037	(408)
Other profit (loss)	(70,951)	—
Profit (loss) before tax from discontinued operations	13,139	(408)
Income tax expense (Note 2)	(4,190)	127
Profit (loss) from discontinued operations	8,949	(281)

- (Notes)
1. Gain (loss) on sales of business classified as discontinued operations in the year ended March 31, 2023 was due to an adjustment to the transfer price of the shares of The Marine Foods held by the Company pursuant to the share transfer agreement.
  2. Income tax expense for the year ended March 31, 2022 includes income tax of ¥3,448 million on the gain on sales of business.

(2) Transfer of shares of BPU

1) Overview of discontinued operations

The Company, at the meeting of its Board of Directors held on January 31, 2023, determined to transfer all of its shares of its consolidated subsidiary, BPU, to Minerva S.A.

As a result, for the year ended March 31, 2023, the beef business relating to BPU has been classified as discontinued operations, and it has been reclassified and restated 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	Breeders & Packers Uruguay S.A.
Nature of business	Meat processing and sales (beef)
Applicable segment	Overseas Business Division

3) Number of shares to be sold, sale price, and percentage of ownership after the sale

Number of shares owned before the sale	1,797,343,133 shares (Number of voting rights: 1,797,343,133) (Percentage of voting rights held: 100.0%)
Number of shares to be transferred	1,797,343,133 shares (Number of voting rights: 1,797,343,133)
Sale price (Note)	The sale price will be determined based on the enterprise value of 40 million USD (5.2 billion JPY), and the price adjustments stipulated in the stock purchase agreement, including net debt and working capital of BPU.
Percentage of ownership after the sale	— share (Number of voting rights: —) (Percentage of voting rights held: — %)

(Note) The yen equivalent is a reference value calculated at a rate of 130 yen to the U.S. dollar.

4) Profit (loss) from discontinued operations

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

(millions of yen)

	Year ended March 31, 2022 (April 1, 2021 through March 31, 2022)	Year ended March 31, 2023 (April 1, 2022 through March 31, 2023)
Net sales	22,503	30,203
Loss recognized on the measurement to fair value less costs to sell of a disposal group constituting the discontinued operation	—	(2,449)
Other profit (loss)	(22,897)	(32,831)
Loss before tax from discontinued operations	(394)	(5,077)
Income tax expense (Note)	287	3,942
Loss from discontinued operations	(107)	(1,135)

(Note) Income tax expense for the year ended March 31, 2023 includes ¥3,916 million of deferred tax assets for temporary differences, arising from gains and losses recognized in prior years on

investment in BPU and loss recognized on the measurement to fair value less costs to sell of a disposal group constituting the discontinued operation, etc.

4. Significant subsequent events

Not applicable.



The year ended March 31, 2023

**Supplementary materials**

**NH Foods Ltd.**

**May 10, 2023**

## I Financial Highlights

Consolidated Accounts

(millions of yen)

	Year ended March 31, 2021 (results)	Year ended March 31, 2022 (results)	Year ended March 31, 2023 (results)	The percentages indicate the rates of increase (decrease) from the previous fiscal year	Year ending March 31, 2024 (plan)
Net sales	1,106,351	1,151,886	1,259,792	9.4%	1,260,000
Gross profit	198,454	198,915	177,032	(11.0)%	
Business profit	52,426	48,116	25,596	(46.8)%	38,000
Profit before tax	47,604	51,760	22,162	(57.2)%	34,000
Equity attributable to owners of the parent	32,616	48,049	16,637	(65.4)%	23,000

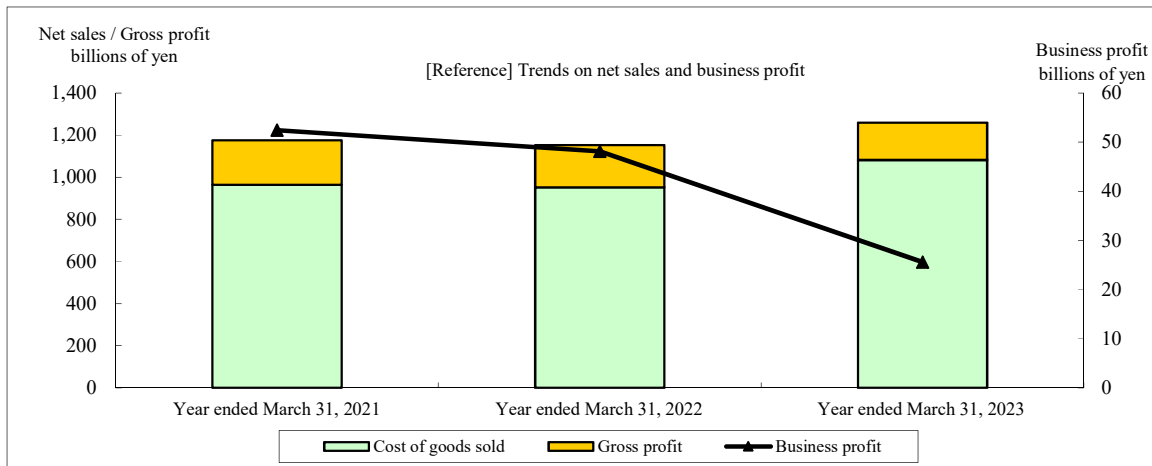
(Note) Figures for the year ended March 31, 2021 include the beef business relating to BPU.

Gross profit margin	17.9%	17.3%	14.1%	
Business profit margin	4.6%	4.0%	2.2%	3.0%
Return on equity (ROE)	7.8%	10.5%	3.4%	4.6%
Return on invested capital (ROIC)	5.9%	5.0%	2.4%	3.5%

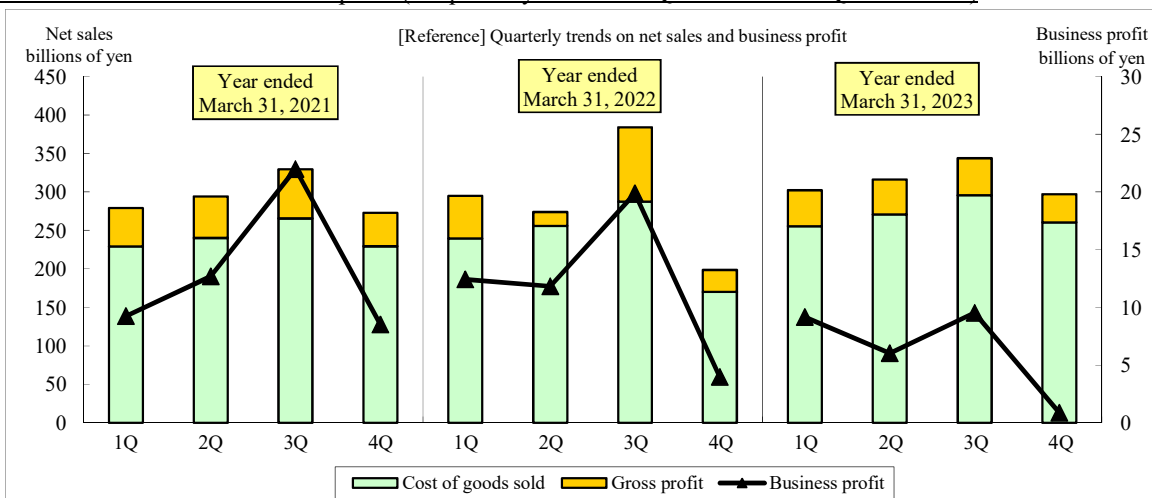
(Note) Figures for the year ended March 31, 2021 include the beef business relating to BPU.

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, 2021 to year ended March 31, 2023)

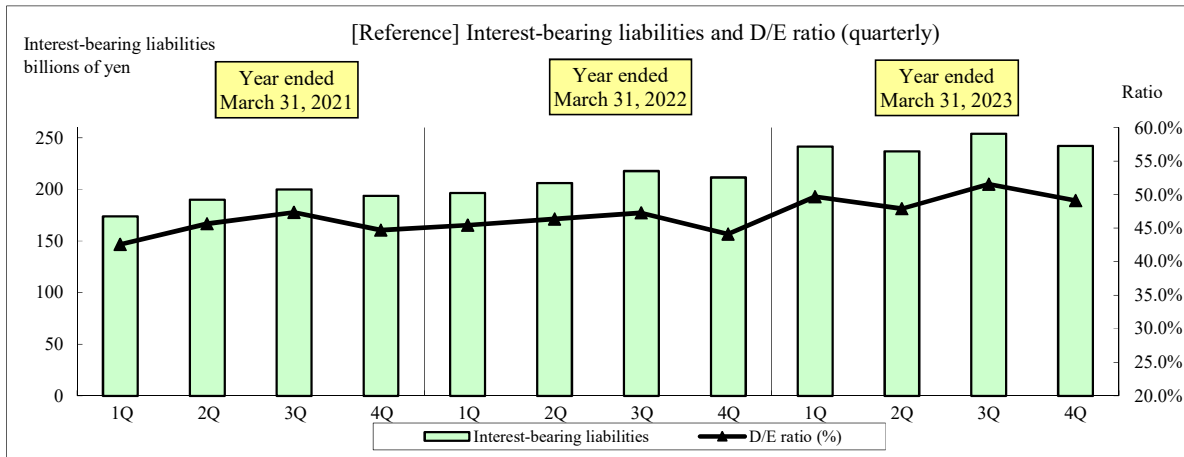


### Trends on net sales and business profit (on quarterly basis from Q1 FY2021/3 to Q4 FY2023/3)



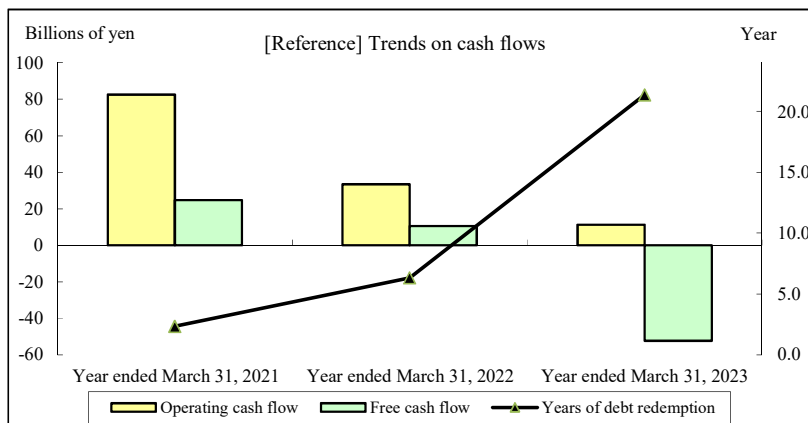
(millions of yen)

	Year ended March 31, 2021 (results)	Year ended March 31, 2022 (results)	Year ended March 31, 2023 (results)	The percentages indicate the rates of increase (decrease) from the previous fiscal year	Year ending March 31, 2024 (plan)
Total assets	825,405	909,213	937,155	3.1%	
Total equity attributable to owners of the parent	433,595	479,069	492,913	2.9%	
Interest-bearing liabilities	193,750	211,407	242,055	14.5%	
D/E ratio	0.45	0.44	0.49		
Capital expenditures	82,902	80,395	67,519	(16.0)%	70,088
Depreciation expense	33,939	36,379	38,379	5.5%	40,700



(millions of yen)

	Year ended March 31, 2021 (results)	Year ended March 31, 2022 (results)	Year ended March 31, 2023 (results)
Operating cash flow	82,518	33,387	11,331
Investment cash flow	(57,827)	(22,837)	(63,677)
Financial cash flow	(14,934)	(12,162)	28,417
Effect of exchange rate changes on cash and cash equivalents	1,675	3,155	2,476
Hyperinflation Adjustment	—	—	1,874
Net Increase (Decrease) in Cash and Cash Equivalents Included in Assets Held for Sale	—	—	(809)
Net increase (decrease) in cash flow	11,432	1,543	(20,388)
Cash and cash equivalents at the end of the period	83,831	85,374	64,986



## II Segment Information

(millions of yen)

	Consolidated year ended March 31, 2022 (April 1, 2021 through March 31, 2022)		Consolidated year ended March 31, 2023 (April 1, 2022 through March 31, 2023)		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	469,953	94.6%	390,397	93.5%	(79,556)	(16.9)%
Intersegment sales	26,747	5.4%	27,341	6.5%	594	2.2%
Total net sales	496,700	100.0%	417,738	100.0%	(78,962)	(15.9)%
Segment profit	14,679	3.0%	5,018	1.2%	(9,661)	(65.8)%
<b>Fresh Meats Business Division</b>						
Sales to external customers	621,531	91.0%	685,332	91.4%	63,801	10.3%
Intersegment sales	61,770	9.0%	64,777	8.6%	3,007	4.9%
Total net sales	683,301	100.0%	750,109	100.0%	66,808	9.8%
Segment profit	35,573	5.2%	29,082	3.9%	(6,491)	(18.2)%
<b>Overseas Business Division</b>						
Sales to external customers	142,799	53.4%	186,449	58.0%	43,650	30.6%
Intersegment sales	124,824	46.6%	134,980	42.0%	10,156	8.1%
Total net sales	267,623	100.0%	321,429	100.0%	53,806	20.1%
Segment profit (loss)	2,409	0.9%	(5,036)	(1.6)%	(7,445)	—
<b>Others</b>						
Sales to external customers	10,631	77.0%	13,818	81.0%	3,187	30.0%
Intersegment sales	3,178	23.0%	3,234	19.0%	56	1.8%
Total net sales	13,809	100.0%	17,052	100.0%	3,243	23.5%
Segment loss	(1,569)	(11.4)%	(483)	(2.8)%	1,086	—
<b>Eliminations, adjustments and others</b>						
Net sales	(214,991)		(216,333)		(1,342)	
Segment profit	(2,976)		(2,985)		(9)	
<b>Consolidated (before adjustment for discontinued operations)</b>						
Total net sales	1,246,442	100.0%	1,289,995	100.0%	43,553	3.5%
Segment profit	48,116	3.9%	25,596	2.0%	(22,520)	(46.8)%
<b>Transfer to discontinued operations</b>						
Total net sales	(94,556)		(30,203)		64,353	
Segment profit	(1,894)		2,595		4,489	
<b>Consolidated (after adjustment for discontinued operations)</b>						
Total net sales	1,151,886	100.0%	1,259,792	100.0%	107,906	9.4%
Segment profit	46,222	4.0%	28,191	2.2%	(18,031)	(39.0)%

(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]

(millions of yen)

	Consolidated year ended March 31, 2022 (April 1, 2021 through March 31, 2022)		Consolidated year ended March 31, 2023 (April 1, 2022 through March 31, 2023)		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	26,301	40.6%	32,466	48.9%	6,165	23.4%
Intersegment sales	38,470	59.4%	33,910	51.1%	(4,560)	(11.9)%
Total net sales	64,771	100.0%	66,376	100.0%	1,605	2.5%
Segment loss	(428)	(0.7)%	(1,180)	(1.8)%	(752)	—
<b>Americas</b>						
Sales to external customers	25,614	25.5%	34,334	27.7%	8,720	34.0%
Intersegment sales	74,872	74.5%	89,425	72.3%	14,553	19.4%
Total net sales	100,486	100.0%	123,759	100.0%	23,273	23.2%
Segment profit	1,198	1.2%	1,731	1.4%	533	44.5%
<b>Australia</b>						
Sales to external customers	90,884	86.4%	119,649	89.5%	28,765	31.7%
Intersegment sales	14,309	13.6%	14,028	10.5%	(281)	(2.0)%
Total net sales	105,193	100.0%	133,677	100.0%	28,484	27.1%
Segment profit (loss)	2,585	2.5%	(4,473)	(3.3)%	(7,058)	—

(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, 2022 (results)		Year ended March 31, 2023 (results)		The percentages indicate the rates of increase (decrease) from the previous fiscal year	Year ending March 31, 2024 (plan)	
	Amount	Composition ratio	Amount	Composition ratio		Amount	Composition ratio
Hams and sausages	131,147	11.4%	130,161	10.3%	(0.8)%	132,000	10.5%
Processed foods	224,976	19.5%	235,166	18.7%	4.5%	237,000	18.8%
Fresh Meats	702,160	61.0%	791,972	62.9%	12.8%	787,000	62.5%
Dairy Products	35,214	3.0%	36,194	2.9%	2.8%	37,000	2.9%
Others	58,389	5.1%	66,299	5.2%	13.5%	67,000	5.3%
Total	1,151,886	100.0%	1,259,792	100.0%	9.4%	1,260,000	100.0%

