

October 31, 2023

BRIEF STATEMENT OF ACCOUNTS
FOR THE SECOND QUARTER OF THE YEAR ENDING MARCH 31, 2024
(Under IFRS) (Consolidated)

Name of listed company:	NH Foods Ltd. (the “Company”)
Listing exchange:	Tokyo Stock Exchange
Code number:	2282
URL:	https://www.nipponham.co.jp/eng/
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Scheduled date of filing of quarterly report:	November 8, 2023
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 second quarter of the year ending March 31, 2024 (April 1, 2023 through September 30, 2023):

(1) Consolidated operating results (cumulative):

(The percentages indicate the rates of increase (decrease) from the second 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)	%
Second quarter of the year ending March 31, 2024	652,122	5.4	24,963	64.2	31,605	33.9	21,884	36.0	19,984	29.1	32,077	21.0
Second quarter of the year ended March 31, 2023	618,688	-	15,204	(37.3)	23,600	-	16,095	(18.3)	15,480	(21.0)	26,510	29.0

(yen)

	Earnings per share (basic)	Earnings per share (diluted)
Second quarter of the year ending March 31, 2024	194.88	194.88
Second quarter of the year ended March 31, 2023	151.21	151.18

(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 beef business relating to Breeders & Packers Uruguay S.A. (“BPU”) has been reclassified to discontinued operations from the fourth quarter of the consolidated accounting period ended March 31, 2023. As a result, the quarterly profit (loss) from discontinued operations is presented separately from those from continuing operations in the condensed consolidated statements of income. Consequently, only net sales and quarterly profit before tax from continuing operations are presented. The corresponding figures for the second quarter of the year ended March 31, 2023 have been reclassified in the same way. For this reason, rates of increase (decrease) from the same period in the previous fiscal year are not presented.

(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)	(%)
Second quarter of the year ending March 31, 2024	947,916	524,241	512,048	54.0
Year ended March 31, 2023	937,155	502,781	492,913	52.6

2. State of dividends:

	Annual dividend (yen)				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
Year ended March 31, 2023	—	—	—	110.00	110.00
Year ending March 31, 2024	—	—	—	—	—
Year ending March 31, 2024 (forecast)	—	—	—	112.00	112.00

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

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

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

	Net sales		Business profit		Profit before tax		Profit attributable to owners of the parent		Earnings per share (basic)
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(yen)
Whole-year period	1,300,000	3.2	44,000	71.9	42,000	89.5	28,000	68.3	272.91

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

(Note) In consideration of the recent developments of its business results, the Company has made adjustments to the forecasts of consolidated business results for the whole-year period of the fiscal year ending March 31, 2024. For details, please refer to “Notice of the Adjustment to the Forecast of Business Results” released today, October 31, 2023.

* Notes:

(1) Changes in significant subsidiaries (changes in specific subsidiaries involving a change in the scope of consolidation) during the period under review: Yes

New subsidiaries: - (Name:)

Excluded subsidiaries: 1 (Name: Breeders & Packers Uruguay S.A.)

(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:

Second quarter of the year ending March 31, 2024:	102,958,904 shares
Year ended March 31, 2023:	102,958,904 shares

- 2) Number of shares of treasury stock as of the end of the period:
Second quarter of the year ending March 31, 2024: 359,888 shares
Year ended March 31, 2023: 454,459 shares
- 3) Average number of shares outstanding during the period:
Second quarter of the year ending March 31, 2024: 102,548,991 shares
Second quarter of the year ended March 31, 2023: 102,369,344 shares

(Note) The number of shares of treasury stock as of the end of the period includes the number of the Company's shares (123,968 shares for the second quarter of the year ending March 31, 2024 and 131,403 shares for the year ended March 31, 2023) 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 (225,700 shares for the second quarter of the year ending March 31, 2024 and 313,400 shares for the year ended March 31, 2023) 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 results arising therefrom, or publicize such revised information. For information on the conditions precedent to the forecast of business results and cautionary notes for the use of the forecast of business results, please refer to "1. Qualitative Information on the Statement of Accounts for the Second Quarter of the Fiscal Year under Review: (3) Explanation on the Forward-looking Information such as Forecast of Consolidated Business Results" on page 8.

CONTENTS OF ATTACHMENT

1. Qualitative Information on the Statement of Accounts for the Second Quarter of the Fiscal Year under Review	6
(1) Explanation on the Operating Results.....	6
(2) Explanation on the Financial Position.....	7
(3) Explanation on the Forward-looking Information such as Forecast of Consolidated Business Results.....	8
2. Condensed Consolidated Financial Statements and Primary Notes.....	9
(1) Condensed Consolidated Statements of Financial Position	9
(2) Condensed Consolidated Statements of Income.....	11
(3) Condensed Consolidated Statements of Comprehensive Income	13
(4) Condensed Consolidated Statements of Changes in Equity.....	15
(5) Condensed Consolidated Statements of Cash Flows	17
(6) Note on the Premises of a Going Concern	18
(7) Notes to Condensed Consolidated Financial Statements.....	18
1. Segment information	18
2. Note on discontinued operations.....	21

* The Company is planning to hold a financial results briefing for institutional investors and analysts on Tuesday, October 31, 2023. 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 Second Quarter of the Fiscal Year under Review

(1) Explanation on the Operating Results

Overview of Operating Results in General

For the second quarter of the fiscal year under review on a consolidated and cumulative basis, net sales increased by 5.4% from the same period of the previous fiscal year to ¥652,122 million. Factors contributing to this increase included the penetration of price revision in the Fresh Meats Business, the realization of benefits from price revision in the Processed Foods Business, and higher visitor numbers in the Ballpark Business. Business profit increased by 64.2% to ¥24,963 million, mainly because of the contribution from the Ballpark Business, growth in domestic chicken sales and higher domestic fresh meat sales in the Fresh Meats Business. Despite a decline in share of profit in investments accounted for using the equity method, profit before tax increased by 33.9% to ¥31,605 million thanks to the substantial increase in business profit, and profit attributable to owners of the parent increased by 29.1% to ¥19,984 million, compared to the same period of the previous fiscal year.

Overview of Operating Segments

YoY results	Net sales			Business profit		
	Cumulative second quarter of the year ending March 31, 2024 (consolidated)	Increase (decrease) from the second quarter of the previous fiscal year	Increase (decrease) (%)	Cumulative second quarter of the year ending March 31, 2024 (consolidated)	Increase (decrease) from the second quarter of the previous fiscal year	Increase (decrease) (%)
Processed Foods Business Division	210,938	6,919	3.4	2,906	1,572	117.8
Fresh Meats Business Division	386,068	24,416	6.8	17,029	2,809	19.8
Overseas Business Division	150,200	(19,148)	(11.3)	205	1,141	—
Others	18,505	7,967	75.6	6,277	4,349	225.6

(Processed Foods Business Division)

Net sales increased by 3.4% from the same period of the previous fiscal year to ¥210,938 million due to a recovery in sales of the main product “*SCHAU ESSEN*”, as well as the price revision for consumer products, especially in the hams and sausages business, and for commercial products in the deli and processed foods business. Business profit increased by 117.8% from the same period of the previous fiscal year to ¥2,906 million due to an improvement in profit margins resulting from a recovery in the volume of sales of “*SCHAU ESSEN*” and chilled pizza products.

(Fresh Meats Business Division)

Net sales increased by 6.8% from the same period of the previous fiscal year to ¥386,068 million due to increased demand for domestic chicken, which has a price advantage, as well as the growth of sales to mass retailers despite the high market price environment. Business profit increased by 19.8% to ¥17,029 million due to the achievement of profit from the

production divisions, thanks to persistently high market prices for domestic chicken, as well as a recovery in sales of imported beef by domestic sales companies.

(Overseas Business Division)

Net sales decreased by 11.3% from the same period of the previous fiscal year to ¥150,200 million, due to the transfer of shares of BPU, despite a strong trend in sales of processed foods in North America. Business profit amounted to ¥205 million (business loss of ¥936 million for the same period of the previous fiscal year), due to the strong sales of processed foods of chicken in North America, as well as the penetration of price revision to offset high feed costs in the poultry farming business in Turkey.

(Others)

Net sales increased by 75.6% from the same period of the previous fiscal year to ¥18,505 million, due to higher visitor numbers since the opening of “Hokkaido Ballpark F Village” in the Ballpark Business, as well as the staging of seasonal events on non-game days. Business profit increased by 225.6% from the same period of the previous fiscal year to ¥6,277 million, due to an improvement in profitability, including revenues from food and beverages, goods, and advertising, following the adoption of a new business model for the Ballpark Business.

(2) Explanation on the Financial Position

<Financial position>

Total assets at the end of the second quarter of the fiscal year increased by 1.1% from the end of the previous fiscal year to ¥947,916 million. Current assets increased by 2.3% from the end of the previous fiscal year to ¥437,678 million as cash and cash equivalents increased by 18.9% to ¥77,276 million and trade and other receivables increased by 8.9% to ¥159,718 million because the end of the second quarter was a holiday for financial institutions, while assets held for sale decreased by 98.6% to ¥176 million due to the transfer of shares of BPU. Non-current assets increased by 0.2% from the end of the previous fiscal year to ¥510,238 million mainly because intangible assets and goodwill increased by 16.3% to ¥23,476 million, while deferred tax assets decreased by 11.4% to ¥27,545 million.

Total liabilities decreased by 2.5% from the end of the previous fiscal year to ¥423,675 million mainly because liabilities directly associated with assets held for sale decreased by ¥11,359 million due to the transfer of shares of BPU, although trade and other payables increased by 10.8% to ¥117,506 million due to increased higher market prices and increased purchasing of inventory in preparation for a demand recovery.

Total equity attributable to owners of the parent increased by 3.9% from the end of the previous fiscal year to ¥512,048 million mainly because ¥19,984 million increase due to net income and ¥9,456 million increase relating to exchange differences on translation of foreign operations due to the weakening of the yen, despite ¥11,275 million decrease due to cash dividends.

As a result, the equity ratio of owners of the parent increased by 1.4 percentage points from the end of previous fiscal year to 54.0%.

<Cash flows>

With regard to operating activities, profit before tax amounted to ¥31,605 million, depreciation and amortization expenses amounted to ¥19,684 million and the increase in trade and other payables amounted to ¥10,548 million, while the increase in trade and other receivables amounted to ¥12,231 million. As a result, net cash provided by operating activities amounted to ¥46,312 million.

With regard to investing activities, acquisition of fixed assets amounted to ¥21,028 million. As a result, net cash used in investing activities amounted to ¥20,946 million.

With regard to financing activities, the decrease in short-term bank loans amounted to ¥24,824 million and the repayments of debt amounted to ¥22,288 million, while proceeds from debt amounted to ¥38,563 million. As a result, net cash used in financing activities amounted to ¥19,518 million.

As a result, cash and cash equivalents at the end of the second quarter of the fiscal year increased by ¥12,290 million from the end of the previous fiscal year to ¥77,276 million.

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

In consideration of the recent developments of its business results, the Company has made adjustments to the forecasts of consolidated business results for the whole-year period of the fiscal year ending March 31, 2024. For details, please refer to “Notice of the Adjustment to the Forecast of Business Results” released today, October 31, 2023.

Cautionary notice on information about the future

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

2. Condensed Consolidated Financial Statements and Primary Notes

(1) Condensed Consolidated Statements of Financial Position

	(millions of yen)	
	Year ended March 31, 2023 (as of March 31, 2023)	Second quarter of the year ending March 31, 2024 (as of September 30, 2023)
(Assets)		
Current Assets		
Cash and cash equivalents	64,986	77,276
Trade and other receivables	146,660	159,718
Inventories	141,930	143,947
Biological assets	27,984	27,103
Other financial assets	9,098	12,692
Other current assets	25,171	16,766
Assets held for sale	12,189	176
Total Current Assets	428,018	437,678
Non-current Assets		
Property, plant and equipment	364,381	364,332
Right-of-use assets	40,898	39,027
Biological assets	1,517	1,507
Intangible assets and goodwill	20,193	23,476
Investments accounted for using the equity method	9,087	9,614
Other financial assets	27,587	29,957
Deferred tax assets	31,082	27,545
Other non-current assets	14,392	14,780
Total Non-current Assets	509,137	510,238
Total Assets	937,155	947,916
(Liabilities and Equity)		
Current Liabilities		
Interest-bearing liabilities	102,199	100,860
Trade and other payables	106,027	117,506
Income taxes payable	1,795	3,363
Other financial liabilities	15,806	10,126
Other current liabilities	41,350	37,340
Liabilities directly associated with assets held for sale	11,359	—
Total Current Liabilities	278,536	269,195
Non-current Liabilities		
Interest-bearing liabilities	139,856	137,888
Retirement benefit liabilities	12,394	12,467
Other financial liabilities	1,108	1,161
Deferred tax liabilities	889	1,139
Other non-current liabilities	1,591	1,825
Total Non-current Liabilities	155,838	154,480
Total Liabilities	434,374	423,675

(millions of yen)

	Year ended March 31, 2023 (as of March 31, 2023)	Second quarter of the year ending March 31, 2024 (as of September 30, 2023)
Equity		
Common stock	36,294	36,294
Capital surplus	71,095	71,056
Retained earnings	369,389	378,102
Treasury stock, at cost	(2,057)	(1,633)
Accumulated other comprehensive income	17,193	28,229
Accumulated other comprehensive income of disposal groups classified as held for sale	999	—
Total Equity Attributable to Owners of the Parent	492,913	512,048
Non-controlling Interests	9,868	12,193
Total Equity	502,781	542,241
Total Liabilities and Equity	937,155	947,916

(Note) Breakdown of accumulated other comprehensive income

	Year ended March 31, 2023	Second quarter of the year ending March 31, 2024
Financial assets measured at fair value through other comprehensive income	6,469	8,049
Exchange differences on translation of foreign operations	10,724	20,180

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

(millions of yen)

	Cumulative second quarter of the year ended March 31, 2023 (consolidated) (April 1, 2022 through September 30, 2022)	Cumulative second quarter of the year ending March 31, 2024 (consolidated) (April 1, 2023 through September 30, 2023)
Net Sales	618,688	652,122
Cost of Goods Sold	526,185	544,253
Selling, General and Administrative Expenses	80,642	83,974
Other Income	20,156	13,193
Other Expenses	11,121	6,433
Financial Income	973	1,750
Financial Costs	915	1,166
Share of Profit in Investments Accounted for Using the Equity Method	2,646	366
Profit before Tax	23,600	31,605
Income Tax Expense	6,070	9,826
Profit from Continuing Operations	17,530	21,779
Profit (loss) from Discontinued Operations	(1,435)	105
Profit	16,095	21,884
Profit Attributable to:		
Owners of the Parent		
Continuing Operations	16,915	19,879
Discontinued Operations	(1,435)	105
Total	15,480	19,984
Non-controlling Interests		
Continuing Operations	615	1,900
Discontinued Operations	—	—
Total	615	1,900
Profit	16,095	21,884

Earnings per Share		
Earnings per share (basic)	151.21 yen	194.88 yen
Continuing Operations	165.23 yen	193.85 yen
Discontinued Operations	(14.02) yen	1.03 yen
Earnings per share (diluted)	151.18 yen	194.88 yen
Continuing Operations	165.20 yen	193.85 yen
Discontinued Operations	(14.02) yen	1.03 yen

[Second quarter]

(millions of yen)

	Second quarter of the year ended March 31, 2023 (consolidated) (July 1, 2022 through September 30, 2022)	Second quarter of the year ending March 31, 2024 (consolidated) (July 1, 2023 through September 30, 2023)
Net Sales	316,310	329,947
Cost of Goods Sold	270,674	276,587
Selling, General and Administrative Expenses	41,172	42,417
Other Income	7,822	4,074
Other Expenses	4,906	1,994
Financial Income	914	858
Financial Costs	414	1,380
Share of Profit in Investments Accounted for Using the Equity Method	1,000	319
Profit before Tax	8,880	12,820
Income Tax Expense	2,259	4,063
Profit from Continuing Operations	6,621	8,757
Profit (loss) from Discontinued Operations	(947)	641
Profit	5,674	9,398
Profit Attributable to:		
Owners of the Parent		
Continuing Operations	6,245	7,594
Discontinued Operations	(947)	641
Total	5,298	8,235
Non-controlling Interests		
Continuing Operations	376	1,163
Discontinued Operations	—	—
Total	376	1,163
Profit	5,674	9,398

Earnings per Share		
Earnings per share (basic)	51.73 yen	80.28 yen
Continuing Operations	60.98 yen	74.04 yen
Discontinued Operations	(9.25) yen	6.24 yen
Earnings per share (diluted)	51.72 yen	80.28 yen
Continuing Operations	60.97 yen	74.04 yen
Discontinued Operations	(9.25) yen	6.24 yen

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

(millions of yen)

	Cumulative second quarter of the year ended March 31, 2023 (consolidated) (April 1, 2022 through September 30, 2022)	Cumulative second quarter of the year ending March 31, 2024 (consolidated) (April 1, 2023 through September 30, 2023)
Profit	16,095	21,884
Other Comprehensive Income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit plans	(6)	(16)
Financial assets measured at fair value through other comprehensive income	(3,074)	1,660
Share of other comprehensive income of investments accounted for using the equity method	—	(58)
Total	(3,080)	1,586
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	12,088	7,566
Share of other comprehensive income of investments accounted for using the equity method	1,407	1,041
Total	13,495	8,607
Total Other Comprehensive Income	10,415	10,193
Comprehensive Income	26,510	32,077
Comprehensive Income Attributable to:		
Owners of the Parent	25,751	30,025
Non-controlling Interests	759	2,052
Comprehensive Income	26,510	32,077

[Second quarter]

(millions of yen)

	Second quarter of the year ended March 31, 2023 (consolidated) (July 1, 2022 through September 30, 2022)	Second quarter of the year ending March 31, 2024 (consolidated) (July 1, 2023 through September 30, 2023)
Profit	5,674	9,398
Other Comprehensive Income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit plans	(3)	(8)
Financial assets measured at fair value through other comprehensive income	(849)	1,113
Share of other comprehensive income of investments accounted for using the equity method	—	(2)
Total	(852)	1,103
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	3,434	2,198
Share of other comprehensive income of investments accounted for using the equity method	287	370
Total	3,721	2,568
Total Other Comprehensive Income	2,869	3,671
Comprehensive Income	8,543	13,069
Comprehensive Income Attributable to:		
Owners of the Parent	8,145	11,889
Non-controlling Interests	398	1,180
Comprehensive Income	8,543	13,069

(4) Condensed Consolidated Statements of Changes in Equity

Consolidated cumulative second quarter of the year ended March 31, 2023 (April 1, 2022 through September 30, 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, 2022	36,294	71,272	360,900	(2,856)	—	9,639	3,820	13,459	479,069	10,485	489,554
Profit			15,480					—	15,480	615	16,095
Other comprehensive income					(6)	(3,074)	13,351	10,271	10,271	144	10,415
Comprehensive income	—	—	15,480	—	(6)	(3,074)	13,351	10,271	25,751	759	26,510
Dividends			(10,437)					—	(10,437)	(11)	(10,448)
Acquisition of treasury stock				(2)				—	(2)		(2)
Disposal of treasury stock		(58)		432				—	374		374
Share-based payment transactions		31						—	31		31
Transfer of accumulated other comprehensive income to retained earnings			202		6	(208)		(202)	—		—
Total transactions with owners	—	(27)	(10,235)	430	6	(208)	—	(202)	(10,034)	(11)	(10,045)
Balance as of September 30, 2022	36,294	71,245	366,145	(2,426)	—	6,357	17,171	23,528	494,786	11,233	506,019

Consolidated cumulative second quarter of the year ending March 31, 2024 (April 1, 2023
through September 30, 2023)

(millions of yen)

	Equity attributable to owners of the parent										Non-con- trolling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income					Total		
					Remeasure- ment of defined benefit plans	Financial assets measured at fair value through other comprehen- sive income	Exchange differences on translation of foreign operations	Subtotal	Accumulat ed other comprehen sive income of disposal groups classified as held for sale			
Balance as of April 1, 2023	36,294	71,095	369,389	(2,057)	—	6,469	10,724	17,193	999	492,913	9,868	502,781
Profit			19,984					—		19,984	1,900	21,884
Other comprehensive income					(16)	1,600	9,456	11,040	(999)	10,041	152	10,193
Comprehensive income	—	—	19,984	—	(16)	1,600	9,456	11,040	(999)	30,025	2,052	32,077
Dividends			(11,275)					—		(11,275)	(50)	(11,325)
Acquisition of treasury stock				(2)				—		(2)		(2)
Disposal of treasury stock		(36)		426				—		390		390
Share-based payment		(3)						—		(3)		(3)
Sales of subsidiary								—		—	323	323
Transfer of accumulated other comprehensive income to retained earnings			4		16	(20)		(4)		—		—
Total transactions with owners	—	(39)	(11,271)	424	16	(20)	—	(4)	—	(10,890)	273	(10,617)
Balance as of September 30, 2023	36,294	71,056	378,102	(1,633)	—	8,049	20,180	28,229	—	512,048	12,193	524,241

(5) Condensed Consolidated Statements of Cash Flows

(millions of yen)

	Cumulative second quarter of the year ended March 31, 2023 (April 1, 2022 through September 30, 2022)	Cumulative second quarter of the year ending March 31, 2024 (April 1, 2023 through September 30, 2023)
Cash Flows from Operating Activities		
Profit before tax	23,600	31,605
Loss before tax from discontinued operations	(1,715)	228
Depreciation and amortization expense	18,846	19,684
Impairment losses (reversal of impairment losses)	(2,107)	271
Decrease (increase) in fair value of biological assets	(604)	(1,671)
Financial income and costs	(20)	(453)
Loss (gain) on sales of business	479	(1,318)
Decrease (increase) in trade and other receivables	(11,153)	(12,231)
Decrease (increase) in inventories	(37,644)	(155)
Decrease (increase) in biological assets	817	3,140
Decrease (increase) in other assets	(3,803)	3,838
Increase (decrease) in trade and other payables	11,839	10,548
Increase (decrease) in other liabilities	(3,758)	(3,480)
Others—net	(6,792)	(4,253)
Interest received	570	1,518
Dividends received	5,892	1,025
Interest paid	(693)	(1,195)
Income tax paid	(7,108)	(789)
Cash Flows from Operating Activities	(13,354)	46,312
Cash Flows from Investing Activities		
Acquisition of fixed assets	(36,408)	(21,028)
Proceeds from sales of fixed assets	613	381
Decrease (increase) in time deposits	(53)	(726)
Acquisition of other financial assets	(34)	(31)
Sale and redemption of other financial assets	725	30
Decrease (increase) in short-term loans receivable	8,650	–
Proceeds from government grants	–	2,425
Proceeds from sales of business	3,434	–
Payments for sales of business	(3,166)	(1,444)
Others—net	(306)	(553)
Cash Flows from Investing Activities	(26,545)	(20,946)
Cash Flows from Financing Activities		
Cash dividends	(10,448)	(11,325)
Increase (decrease) in short-term bank loans	17,618	(24,824)
Proceeds from debt	46,047	38,563
Repayments of debt	(41,623)	(22,288)
Acquisition of treasury stock	(2)	(2)
Proceeds from sales of treasury stock	346	358
Others—net	0	–
Cash Flows from Financing Activities	11,938	(19,518)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	4,625	4,840
Hyperinflation Adjustment	576	793
Increase (decrease) in Cash and Cash Equivalents Included in Assets Held for Sale	–	809
Net Increase (Decrease) in Cash and Cash Equivalents	(22,760)	12,290
Cash and Cash Equivalents at the Beginning of the Period	85,374	64,986
Cash and Cash Equivalents at the End of the Period	62,614	77,276

(6) Note on the Premises of a Going Concern

Not applicable.

(7) Notes 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 providing services, and the geographical areas where it sells products or provides services. The Group manages its operations by the business segment.

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 and fresh meats at overseas subsidiaries and associates

The Company has classified the beef business relating to BPU as discontinued operations from the fourth quarter of the consolidated accounting period year ended March 31, 2023. Therefore, the corresponding figures for the cumulative second quarter and the second quarter of the year ended March 31, 2023 have been reclassified accordingly. However, discontinued operations relating to BPU are included in the figures for the Overseas Business Division reporting segment.

The Group consists of 66 subsidiaries and 6 associates.

For the consolidated cumulative second quarter of the year ended March 31, 2023 (April 1, 2022 through September 30, 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	190,822	330,146	96,793	8,899	626,660	7,364	634,024	(15,336)	618,688
Intersegment sales	13,197	31,506	72,555	1,639	118,897	(118,897)	—	—	—
Total	204,019	361,652	169,348	10,538	745,557	(111,533)	634,024	(15,336)	618,688
Segment profit (loss)	1,334	14,220	(936)	1,928	16,546	(1,342)	15,204	1,385	16,589

For the consolidated cumulative second quarter of the year ending March 31, 2024 (April 1, 2023 through September 30, 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	196,650	354,997	92,018	16,753	660,418	2,327	662,745	(10,623)	652,122
Intersegment sales	14,288	31,071	58,182	1,752	105,293	(105,293)	—	—	—
Total	210,938	386,068	150,200	18,505	765,711	(102,966)	662,745	(10,623)	652,122
Segment profit	2,906	17,029	205	6,277	26,417	(1,454)	24,963	928	25,891

- (Notes) 1. “Others” refers to operating segments not included in the reportable segments, such as the Ballpark Business and New Business. The Ballpark Business encompasses the operation of the professional baseball team and ballpark.
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. Net sales, profit and loss, and other data relating to BPU, which are included in the results for the Overseas Business Division have been reclassified to “Transfer to discontinued operations.”

For the consolidated second quarter of the year ended March 31, 2023 (July 1, 2022 through September 30, 2022):

	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	98,364	166,604	48,253	4,740	317,961	4,551	322,512	(6,202)	316,310
Intersegment sales	6,643	16,053	36,672	828	60,196	(60,196)	–	–	–
Total	105,007	182,657	84,925	5,568	378,157	(55,645)	322,512	(6,202)	316,310
Segment profit (loss)	114	7,160	(1,279)	1,109	7,104	(1,070)	6,034	1,073	7,107

For the consolidated second quarter of the year ending March 31, 2024 (July 1, 2023 through September 30, 2023):

	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	100,006	177,235	46,074	8,828	322,143	2,261	334,404	(4,457)	329,947
Intersegment sales	7,389	14,908	28,895	930	52,122	(52,122)	–	–	–
Total	107,395	192,143	74,969	9,758	384,265	(49,861)	334,404	(4,457)	329,947
Segment profit	2,116	6,786	459	3,813	13,174	(351)	12,823	303	13,126

- (Notes) 1. “Others” refers to operating segments not included in the reportable segments, such as the Ballpark Business and New Business. The Ballpark Business encompasses the operation of the professional baseball team and ballpark.
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. Net sales, profit and loss, and other data relating to BPU, which are included in the results for the Overseas Business Division have been reclassified to “Transfer to discontinued operations.”

2. 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 fourth quarter of 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)

	Cumulative second quarter of the year ended March 31, 2023 (consolidated) (April 1, 2022 through September 30, 2022)	Cumulative second quarter of the year ending March 31, 2024 (consolidated) (April 1, 2023 through September 30, 2023)
Net sales	—	—
Gain (loss) on sales of business (Note)	(406)	—
Other profit (loss)	—	—
Profit (loss) before tax from discontinued operations	(406)	—
Income tax expense	102	—
Profit (loss) from discontinued operations	(304)	—

(Note) Gain (loss) on sales of business classified as discontinued operations in the cumulative second quarter of the year ended March 31, 2023 was due to an adjustment to the transfer price of the shares of Marine Foods' held by the Company pursuant to the share transfer agreement.

(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., and the share transfer was completed on August 31, 2023.

As a result, the beef business relating to BPU has been reclassified as discontinued operations from the fourth quarter of the year ended March 31, 2023.

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 sold and percentage of ownership after the sale

Numbers 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 sold	1,797,343,133 shares (Number of voting rights: 1,797,343,133)
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)

	Cumulative second quarter of the year ended March 31, 2023 (consolidated) (April 1, 2022 through September 30, 2022)	Cumulative second quarter of the year ending March 31, 2024 (consolidated) (April 1, 2023 through September 30, 2023)
Net sales	15,336	10,623
Gain recognized on the measurement to fair value less costs to sell of a disposal group constituting the discontinued operation	—	1,251
Other profit (loss)	(16,645)	(11,646)
Profit (loss) before tax from discontinued operations	(1,309)	228
Income tax expense	178	(123)
Profit (loss) from discontinued operations	(1,131)	105