

February 1, 2024

BRIEF STATEMENT OF ACCOUNTS
FOR THE THIRD 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:	February 8, 2024
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 third quarter of the year ending March 31, 2024 (April 1, 2023 through December 31, 2023):

(1) Consolidated operating results (cumulative):

(The percentages indicate the rates of increase (decrease) from the third 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)	%
Third quarter of the year ending March 31, 2024	997,957	3.7	41,545	68.0	43,681	60.6	31,081	59.6	29,520	53.6	37,647	58.3
Third quarter of the year ended March 31, 2023	962,609	—	24,725	(44.0)	27,206	—	19,473	(47.1)	19,219	(47.7)	23,776	(34.9)

(yen)

	Earnings per share (basic)	Earnings per share (diluted)
Third quarter of the year ending March 31, 2024	287.80	287.80
Third quarter of the year ended March 31, 2023	187.70	187.68

(Notes)

- 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.
- 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 third 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)	(%)
Third quarter of the year ending March 31, 2024	957,219	529,918	518,123	54.1
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	45,000	75.8	40,000	80.5	27,000	62.3	263.11

(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, February 1, 2024.

* 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:

Third 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:
Third quarter of the year ending March 31, 2024: 339,839 shares
Year ended March 31, 2023: 454,459 shares
- 3) Average number of shares outstanding during the period:
Third quarter of the year ending March 31, 2024: 102,569,539 shares
Third quarter of the year ended March 31, 2023: 102,394,193 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 third 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 (205,300 shares for the third 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 Third Quarter of the Fiscal Year under Review: (3) Explanation on the Forward-looking Information such as Forecast of Consolidated Business Results" on page 8.

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* The Company is planning to hold a financial results briefing for institutional investors and analysts on Thursday, February 1, 2024. 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 Third Quarter of the Fiscal Year under Review

(1) Explanation on the Operating Results

Overview of Operating Results in General

For the third quarter of the fiscal year under review on a consolidated and cumulative basis, net sales increased by 3.7% from the same period of the previous fiscal year to ¥997,957 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 steady growth in the number of visitors in the Ballpark Business. Business profit increased by 68.0% to ¥41,545 million due to improvement in profitability in all segments, including growth in sales in the Fresh Meats Business and strong performance in the beef business in Australia in the Overseas Business. Despite a decline in share of profit in investments accounted for using the equity method, profit before tax increased by 60.6% to ¥43,681 million thanks to the substantial increase in business profit, and profit attributable to owners of the parent increased by 53.6% to ¥29,520 million, compared to the same period of the previous fiscal year.

Overview of Operating Segments

YoY results	Net sales			Business profit		
	Cumulative third quarter of the year ending March 31, 2024 (consolidated)	Increase (decrease) from the third quarter of the previous fiscal year	Increase (decrease) (%)	Cumulative third quarter of the year ending March 31, 2024 (consolidated)	Increase (decrease) from the third quarter of the previous fiscal year	Increase (decrease) (%)
Processed Foods Business Division	329,918	9,098	2.8	8,916	2,914	48.6
Fresh Meats Business Division	595,609	25,419	4.5	28,345	5,779	25.6
Overseas Business Division	219,696	(30,918)	(12.3)	2,155	4,825	—
Others	21,506	8,439	64.6	4,387	3,156	256.4

(Processed Foods Business Division)

Net sales increased by 2.8% from the same period of the previous fiscal year to ¥329,918 million due to a recovery in sales of the main product “*SCHAU ESSEN*”, and growth in sales of commercial-use products, mainly for convenience store channels in the deli and processed foods business. Business profit increased by 48.6% from the same period of the previous fiscal year to ¥8,916 million due to an improvement in the product mix resulting from the recovery in the sales volume of “*SCHAU ESSEN*” and chilled bakery products, as well as the effects of price revisions in response to soaring raw material prices.

(Fresh Meats Business Division)

Net sales increased by 4.5% from the same period of the previous fiscal year to ¥595,609 million due to growth in sales in restaurant channels resulting from increased demand associated with the reclassification of COVID-19 into Class 5, as well as firm market prices for

domestic chicken. Business profit increased by 25.6% to ¥28,345 million due to favorable sales mainly to mass retailers in urban areas and improved profitability resulting from a review of procurement of imported chicken and imported beef.

(Overseas Business Division)

Net sales decreased by 12.3% from the same period of the previous fiscal year to ¥219,696 million, due to the transfer of shares of BPU, despite the penetration of price pass-through to higher feed prices in the chicken business in Turkey. Business profit amounted to ¥2,155 million (business loss of ¥2,670 million for the same period of the previous fiscal year), due to lower cattle prices, an improvement in profitability resulting from an increase in sales volume in the beef business in Australia, and favorable performance in the chicken business in Turkey.

(Others)

Net sales increased by 64.6% from the same period of the previous fiscal year to ¥21,506 million, due to an increase in the number of spectators for baseball games in the Ballpark Business, as well as steady visitor numbers as a result of the holding of baseball camp and stadium tours at “*ES CON FIELD HOKKAIDO*” even after the season ended. Business profit increased by 256.4% from the same period of the previous fiscal year to ¥4,387 million, due to a significant improvement in profitability, including revenues from food and beverages and goods, 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 third quarter of the fiscal year increased by 2.1% from the end of the previous fiscal year to ¥957,219 million. Current assets increased by 2.7% from the end of the previous fiscal year to ¥439,517 million as cash and cash equivalents increased by 6.7% to ¥69,348 million and trade and other receivables increased by 26.0% to ¥184,751 million because the end of the third quarter was a holiday for financial institutions, while assets held for sale decreased by 99.6% to ¥43 million due to the transfer of shares of BPU. Non-current assets increased by 1.7% from the end of the previous fiscal year to ¥517,702 million mainly because intangible assets and goodwill increased by 21.1% to ¥24,448 million, while deferred tax assets decreased by 10.8% to ¥27,735 million.

Total liabilities decreased by 1.6% from the end of the previous fiscal year to ¥427,301 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 17.7% to ¥124,824 million due to higher market prices and increased purchasing of inventory in response to a demand recovery.

Total equity attributable to owners of the parent increased by 5.1% from the end of the previous fiscal year to ¥518,123 million mainly because ¥29,520 million increase due to net income and ¥5,891 million increase relating to exchange differences on translation of foreign operations due to the weakening of the yen, although ¥11,275 million decrease due to cash dividends.

As a result, the equity ratio of owners of the parent increased by 1.5 percentage points from the end of previous fiscal year to 54.1%.

<Cash flows>

With regard to operating activities, profit before tax amounted to ¥43,681 million, depreciation and amortization expenses amounted to ¥29,567 million and the increase in trade and other payables amounted to ¥18,244 million, while the increase in trade and other receivables amounted to ¥37,536 million. As a result, net cash provided by operating activities amounted to ¥60,543 million.

With regard to investing activities, acquisition of fixed assets amounted to ¥33,783 million. As a result, net cash used in investing activities amounted to ¥32,950 million.

With regard to financing activities, the decrease in short-term bank loans amounted to ¥28,784 million and the repayments of debt amounted to ¥29,303 million, while proceeds from debt amounted to ¥41,150 million. As a result, net cash used in financing activities amounted to ¥27,818 million.

As a result, cash and cash equivalents at the end of the third quarter of the fiscal year increased by ¥4,362 million from the end of the previous fiscal year to ¥69,348 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, February 1, 2024.

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)	Third quarter of the year ending March 31, 2024 (as of December 31, 2023)
(Assets)		
Current Assets		
Cash and cash equivalents	64,986	69,348
Trade and other receivables	146,660	184,751
Inventories	141,930	132,149
Biological assets	27,984	26,555
Other financial assets	9,098	9,032
Other current assets	25,171	17,639
Assets held for sale	12,189	43
Total Current Assets	428,018	439,517
Non-current Assets		
Property, plant and equipment	364,381	367,745
Right-of-use assets	40,898	43,415
Biological assets	1,517	1,456
Intangible assets and goodwill	20,193	24,448
Investments accounted for using the equity method	9,087	8,953
Other financial assets	27,587	29,328
Deferred tax assets	31,082	27,735
Other non-current assets	14,392	14,622
Total Non-current Assets	509,137	517,702
Total Assets	937,155	957,219
(Liabilities and Equity)		
Current Liabilities		
Interest-bearing liabilities	102,199	89,193
Trade and other payables	106,027	124,824
Income taxes payable	1,795	2,814
Other financial liabilities	15,806	12,246
Other current liabilities	41,350	35,971
Liabilities directly associated with assets held for sale	11,359	—
Total Current Liabilities	278,536	265,048
Non-current Liabilities		
Interest-bearing liabilities	139,856	145,051
Retirement benefit liabilities	12,394	12,658
Other financial liabilities	1,108	1,163
Deferred tax liabilities	889	1,302
Other non-current liabilities	1,591	2,079
Total Non-current Liabilities	155,838	162,253
Total Liabilities	434,374	427,301

(millions of yen)

	Year ended March 31, 2023 (as of March 31, 2023)	Third quarter of the year ending March 31, 2024 (as of December 31, 2023)
Equity		
Common stock	36,294	36,294
Capital surplus	71,095	71,073
Retained earnings	369,389	387,846
Treasury stock, at cost	(2,057)	(1,543)
Accumulated other comprehensive income	17,193	24,453
Accumulated other comprehensive income of disposal groups classified as held for sale	999	—
Total Equity Attributable to Owners of the Parent	492,913	518,123
Non-controlling Interests	9,868	11,795
Total Equity	502,781	529,918
Total Liabilities and Equity	937,155	957,219

(Note) Breakdown of accumulated other comprehensive income

	Year ended March 31, 2023	Third quarter of the year ending March 31, 2024
Financial assets measured at fair value through other comprehensive income	6,469	7,838
Exchange differences on translation of foreign operations	10,724	16,615

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

(millions of yen)

	Cumulative third quarter of the year ended March 31, 2023 (consolidated) (April 1, 2022 through December 31, 2022)	Cumulative third quarter of the year ending March 31, 2024 (consolidated) (April 1, 2023 through December 31, 2023)
Net Sales	962,609	997,957
Cost of Goods Sold	821,926	834,271
Selling, General and Administrative Expenses	122,752	126,688
Other Income	14,122	12,106
Other Expenses	8,721	6,180
Financial Income	2,016	2,820
Financial Costs	1,323	2,181
Share of Profit in Investments Accounted for Using the Equity Method	3,181	118
Profit before Tax	27,206	43,681
Income Tax Expense	5,763	12,703
Profit from Continuing Operations	21,443	30,978
Profit (loss) from Discontinued Operations	(1,970)	103
Profit	19,473	31,081
Profit Attributable to:		
Owners of the Parent		
Continuing Operations	21,189	29,417
Discontinued Operations	(1,970)	103
Total	19,219	29,520
Non-controlling Interests		
Continuing Operations	254	1,561
Discontinued Operations	—	—
Total	254	1,561
Profit	19,473	31,081

Earnings per Share		
Earnings per share (basic)	187.70 yen	287.80 yen
Continuing Operations	206.94 yen	286.81 yen
Discontinued Operations	(19.24) yen	0.99 yen
Earnings per share (diluted)	187.68 yen	287.80 yen
Continuing Operations	206.92 yen	286.81 yen
Discontinued Operations	(19.24) yen	0.99 yen

[Third quarter]

(millions of yen)

	Third quarter of the year ended March 31, 2023 (consolidated) (October 1, 2022 through December 31, 2022)	Third quarter of the year ending March 31, 2024 (consolidated) (October 1, 2023 through December 31, 2023)
Net Sales	343,921	345,835
Cost of Goods Sold	295,741	290,018
Selling, General and Administrative Expenses	42,110	42,714
Other Income	4,739	2,540
Other Expenses	8,373	3,374
Financial Income	1,204	1,070
Financial Costs	569	1,015
Share of Profit (loss) in Investments Accounted for Using the Equity Method	535	(248)
Profit before Tax	3,606	12,076
Income Tax Expense	(307)	2,877
Profit from Continuing Operations	3,913	9,199
Loss from Discontinued Operations	(535)	(2)
Profit	3,378	9,197
Profit Attributable to:		
Owners of the Parent		
Continuing Operations	4,274	9,538
Discontinued Operations	(535)	(2)
Total	3,739	9,536
Non-controlling Interests		
Continuing Operations	(361)	(339)
Discontinued Operations	—	—
Total	(361)	(339)
Profit	3,378	9,197

Earnings per Share		
Earnings per share (basic)	36.51 yen	92.93 yen
Continuing Operations	41.73 yen	92.96 yen
Discontinued Operations	(5.22) yen	(0.03) yen
Earnings per share (diluted)	36.51 yen	92.93 yen
Continuing Operations	41.73 yen	92.96 yen
Discontinued Operations	(5.22) yen	(0.03) yen

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

(millions of yen)

	Cumulative third quarter of the year ended March 31, 2023 (consolidated) (April 1, 2022 through December 31, 2022)	Cumulative third quarter of the year ending March 31, 2024 (consolidated) (April 1, 2023 through December 31, 2023)
Profit	19,473	31,081
Other Comprehensive Income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit plans	(9)	(24)
Financial assets measured at fair value through other comprehensive income	(2,058)	1,663
Share of other comprehensive income of investments accounted for using the equity method	—	(55)
Total	(2,067)	1,584
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	5,804	4,395
Share of other comprehensive income of investments accounted for using the equity method	566	587
Total	6,370	4,982
Total Other Comprehensive Income	4,303	6,566
Comprehensive Income	23,776	37,647
Comprehensive Income Attributable to:		
Owners of the Parent	23,533	35,993
Non-controlling Interests	243	1,654
Comprehensive Income	23,776	37,647

[Third quarter]

(millions of yen)

	Third quarter of the year ended March 31, 2023 (consolidated) (October 1, 2022 through December 31, 2022)	Third quarter of the year ending March 31, 2024 (consolidated) (October 1, 2023 through December 31, 2023)
Profit	3,378	9,197
Other Comprehensive Loss		
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	1,016	3
Share of other comprehensive income of investments accounted for using the equity method	—	3
Total	1,013	(2)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(6,284)	(3,171)
Share of other comprehensive income of investments accounted for using the equity method	(841)	(454)
Total	(7,125)	(3,625)
Total Other Comprehensive Loss	(6,112)	(3,627)
Comprehensive Income (loss)	(2,734)	5,570
Comprehensive Income (loss) Attributable to:		
Owners of the Parent	(2,218)	5,968
Non-controlling Interests	(516)	(398)
Comprehensive Income (loss)	(2,734)	5,570

(4) Condensed Consolidated Statements of Changes in Equity

Consolidated cumulative third quarter of the year ended March 31, 2023 (April 1, 2022 through December 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, 2022	36,294	71,272	360,900	(2,856)	—	9,639	3,820	13,459	479,069	10,485	489,554
Profit			19,219					—	19,219	254	19,473
Other comprehensive income					(9)	(2,059)	6,382	4,314	4,314	(11)	4,303
Comprehensive income	—	—	19,219	—	(9)	(2,059)	6,382	4,314	23,533	243	23,776
Dividends			(10,437)					—	(10,437)	(11)	(10,448)
Acquisition of treasury stock				(2)				—	(2)		(2)
Disposal of treasury stock		(139)		603				—	464		464
Share-based payment transactions		42						—	42		42
Transfer of accumulated other comprehensive income to retained earnings			1,211		9	(1,220)		(1,211)	—		—
Total transactions with owners	—	(97)	(9,226)	601	9	(1,220)	—	(1,211)	(9,933)	(11)	(9,944)
Balance as of December 31, 2022	36,294	71,175	370,893	(2,255)	—	6,360	10,202	16,562	492,669	10,717	503,386

Consolidated cumulative third quarter of the year ending March 31, 2024 (April 1, 2023
through December 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, 2023	36,294	71,095	369,389	(2,057)	—	6,469	10,724	17,193	999	492,913	9,868	502,781
Profit			29,520					—		29,520	1,561	31,081
Other comprehensive income					(24)	1,605	5,891	7,472	(999)	6,473	93	6,566
Comprehensive income	—	—	29,520	—	(24)	1,605	5,891	7,472	(999)	35,993	1,654	37,647
Dividends			(11,275)					—		(11,275)	(50)	(11,325)
Acquisition of treasury stock				(4)				—		(4)		(4)
Disposal of treasury stock		(38)		518				—		480		480
Share-based payment		16						—		16		16
Sales of subsidiary								—		—	323	323
Transfer of accumulated other comprehensive income to retained earnings			212		24	(236)		(212)		—		—
Total transactions with owners	—	(22)	(11,063)	514	24	(236)	—	(212)	—	(10,783)	273	(10,510)
Balance as of December 31, 2023	36,294	71,073	387,846	(1,543)	—	7,838	16,615	24,453	—	518,123	11,795	529,918

(5) Condensed Consolidated Statements of Cash Flows

(millions of yen)

	Cumulative third quarter of the year ended March 31, 2023 (April 1, 2022 through December 31, 2022)	Cumulative third quarter of the year ending March 31, 2024 (April 1, 2023 through December 31, 2023)
Cash Flows from Operating Activities		
Profit before tax	27,206	43,681
Profit (loss) before tax from discontinued operations	(2,440)	224
Depreciation and amortization expense	28,352	29,567
Impairment losses (reversal of impairment losses)	(1,594)	655
Decrease (increase) in fair value of biological assets	322	(359)
Financial income and costs	(608)	(507)
Loss (gain) on sales of business	478	(1,101)
Decrease (increase) in trade and other receivables	(60,835)	(37,536)
Decrease (increase) in inventories	(27,464)	11,179
Decrease (increase) in biological assets	856	2,434
Decrease (increase) in other assets	(4,974)	2,340
Increase (decrease) in trade and other payables	24,231	18,244
Increase (decrease) in other liabilities	(3,575)	(4,630)
Others—net	(2,576)	(1,902)
Interest received	1,094	2,163
Dividends received	6,208	1,295
Interest paid	(1,111)	(1,570)
Income tax paid	(13,324)	(3,634)
Cash Flows from Operating Activities	(29,754)	60,543
Cash Flows from Investing Activities		
Acquisition of fixed assets	(46,045)	(33,783)
Proceeds from sales of fixed assets	1,184	645
Decrease (increase) in time deposits	(213)	(753)
Acquisition of other financial assets	(53)	(50)
Sale and redemption of other financial assets	4,601	622
Decrease (increase) in short—term loans receivable	8,694	—
Proceeds from government grants	932	2,525
Proceeds from sales of business	3,626	—
Payments for sales of business	(3,166)	(1,345)
Others—net	(492)	(811)
Cash Flows from Investing Activities	(30,932)	(32,950)
Cash Flows from Financing Activities		
Cash dividends	(10,448)	(11,325)
Increase (decrease) in short-term bank loans	12,807	(28,784)
Proceeds from debt	106,468	41,150
Repayments of debt	(71,305)	(29,303)
Acquisition of treasury stock	(2)	(4)
Proceeds from sales of treasury stock	436	448
Others—net	0	—
Cash Flows from Financing Activities	37,956	(27,818)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,753	2,736
Hyperinflation Adjustment	978	1,042
Increase (decrease) in Cash and Cash Equivalents Included in Assets Held for Sale	—	809
Net Increase (Decrease) in Cash and Cash Equivalents	(19,999)	4,362
Cash and Cash Equivalents at the Beginning of the Period	85,374	64,986
Cash and Cash Equivalents at the End of the Period	65,375	69,348

(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 third quarter and the third 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 65 subsidiaries and 7 associates.

For the consolidated cumulative third quarter of the year ended March 31, 2023 (April 1, 2022 through December 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	299,792	519,574	144,128	10,659	974,153	11,950	986,103	(23,494)	962,609
Intersegment sales	21,028	50,616	106,486	2,408	180,538	(180,538)	—	—	—
Total	320,820	570,190	250,614	13,067	1,154,691	(168,588)	986,103	(23,494)	962,609
Segment profit (loss)	6,002	22,566	(2,670)	1,231	27,129	(2,404)	24,725	2,037	26,762

For the consolidated cumulative third quarter of the year ending March 31, 2024 (April 1, 2023 through December 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	307,335	549,258	131,217	19,038	1,006,848	1,732	1,008,580	(10,623)	997,957
Intersegment sales	22,583	46,351	88,479	2,468	159,881	(159,881)	—	—	—
Total	329,918	595,609	219,696	21,506	1,166,729	(158,149)	1,008,580	(10,623)	997,957
Segment profit	8,916	28,345	2,155	4,387	43,803	(2,258)	41,545	950	42,495

- (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 third quarter of the year ended March 31, 2023 (October 1, 2022 through December 31, 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	108,970	189,428	47,335	1,760	347,493	4,586	352,079	(8,158)	343,921
Intersegment sales	7,831	19,110	33,931	769	61,641	(61,641)	—	—	—
Total	116,801	208,538	81,266	2,529	409,134	(57,055)	352,079	(8,158)	343,921
Segment profit (loss)	4,668	8,346	(1,734)	(697)	10,583	(1,062)	9,521	652	10,173

For the consolidated third quarter of the year ending March 31, 2024 (October 1, 2023 through December 31, 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	110,685	194,261	39,199	2,285	346,430	(595)	345,835	—	345,835
Intersegment sales	8,295	15,280	30,297	716	54,588	(54,588)	—	—	—
Total	118,980	209,541	69,496	3,001	401,018	(55,183)	345,835	—	345,835
Segment profit (loss)	6,010	11,316	1,950	(1,890)	17,386	(804)	16,582	22	16,604

- (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 third quarter of the year ended March 31, 2023 (consolidated) (April 1, 2022 through December 31, 2022)	Cumulative third quarter of the year ending March 31, 2024 (consolidated) (April 1, 2023 through December 31, 2023)
Net sales	—	—
Gain (loss) on sales of business (Note)	(408)	—
Other profit (loss)	—	—
Loss before tax from discontinued operations	(408)	—
Income tax expense	87	—
Loss from discontinued operations	(321)	—

(Note) Gain (loss) on sales of business classified as discontinued operations in the cumulative third

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 third quarter of the year ended March 31, 2023 (consolidated) (April 1, 2022 through December 31, 2022)	Cumulative third quarter of the year ending March 31, 2024 (consolidated) (April 1, 2023 through December 31, 2023)
Net sales	23,494	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)	(25,526)	(11,650)
Profit (loss) before tax from discontinued operations	(2,032)	224
Income tax expense	383	(121)
Profit (loss) from discontinued operations	(1,649)	103