

November 1, 2024

BRIEF STATEMENT OF ACCOUNTS
FOR THE SECOND (INTERIM) QUARTER OF THE YEAR ENDING MARCH 31, 2025
(Under IFRS Accounting Standards) (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 semi-annual securities report:	November 8, 2024
Scheduled date of payment of dividends:	—
Preparation of supplementary material on financial results:	Yes
Holding of financial 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 (interim) quarter of the year ending March 31, 2025 (April 1, 2024 through September 30, 2024):

(1) Consolidated operating results:

(The percentages indicate the rates of increase (decrease) from the second (interim) 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 (interim) quarter of the year ending March 31, 2025	683,864	4.9	27,092	8.5	28,872	(8.6)	19,731	(9.8)	17,864	(10.6)	16,022	(50.1)
Second (interim) quarter of the year ended 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

(yen)

	Earnings per share (basic)
Second (interim) quarter of the year ending March 31, 2025	174.19
Second (interim) quarter of the year ended March 31, 2024	194.88

(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 Accounting Standards and non-recurring items.
2. Diluted earnings per share is not presented as no potential shares with dilutive effect existed.

(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 (interim) quarter of the year ending March 31, 2025	957,111	538,044	524,587	54.8
Year ended March 31, 2024	958,237	539,202	527,503	55.0

2. State of dividends:

	Annual dividend (yen)				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
Year ended March 31, 2024	—	—	—	119.00	119.00
Year ending March 31, 2025	—	—			
Year ending March 31, 2025 (forecast)			—	135.00	135.00

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

3. Forecast of consolidated business results for the year ending March 31, 2025 (April 1, 2024 through March 31, 2025):

(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	1,340,000	2.8	48,000	6.8	40,000	(1.5)	27,000	(3.8)	262.94

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

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: — (Name:) Excluded: — (Name:)

(2) Changes in accounting policies and accounting estimates:

- 1) Changes of accounting policies required by IFRS Accounting Standards: 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 (interim) quarter of the year ending March 31, 2025: 102,958,904 shares
 - Year ended March 31, 2024: 102,958,904 shares

- 2) Number of shares of treasury stock as of the end of the period:
Second (interim) quarter of the year ending March 31, 2025: 1,175,962 shares
Year ended March 31, 2024: 308,314 shares

- 3) Average number of shares outstanding during the period:
Second (interim) quarter of the year ending March 31, 2025: 102,554,183 shares
Second (interim) quarter of the year ended March 31, 2024: 102,548,991 shares

(Note) The number of shares of treasury stock as of the end of the period includes the number of the Company's shares (86,515 shares for the second (interim) quarter of the year ending March 31, 2025 and 123,968 shares for the year ended March 31, 2024) 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 (97,700 shares for the second (interim) quarter of the year ending March 31, 2025 and 173,500 shares for the year ended March 31, 2024) 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 the second (interim) 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 (Interim) Quarter of the Fiscal Year: (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 Friday, November 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 Second (Interim) Quarter of the Fiscal Year

(1) Explanation on the Operating Results

Overview of Operating Results in General

For the second (interim) quarter of the fiscal year on a consolidated basis, net sales increased by 4.9% from the same period of the previous fiscal year to ¥ 683,864 million, due to an increase in sales volume and higher unit prices of mainly domestic fresh meat in the Fresh Meats Business, as well as sales growth of the beef in Australia in the Overseas Business. Business profit increased by 8.5% to ¥27,092 million, due to the Overseas Business securing profits from growth in production volume of the Australian beef, as well as an improved product mix and progress in production optimization in the Processed Foods Business. Profit before tax decreased by 8.6% to ¥28,872 million because of the impact of exchange rates. Profit attributable to owners of the parent decreased by 10.6% to ¥17,864 million, compared to the same period of the previous fiscal year.

Overview of Operating Segments

From the second (interim) period of the fiscal year, the Company has independently disclosed the Ballpark Business, which was previously included in the "Others", in consideration of its increased importance. Accordingly, the figures for the second (interim) quarter of the year ended March 31, 2024 have been reclassified based on the new reportable segment information and conducted comparative analysis.

(millions of yen)

YoY results	Net sales			Business profit		
	Second (interim) quarter of the year ending March 31, 2025 (consolidated)	Increase (decrease) from the second (interim) quarter of the previous fiscal year	Increase (decrease) (%)	Second (interim) quarter of the year ending March 31, 2025 (consolidated)	Increase (decrease) from the second (interim) quarter of the previous fiscal year	Increase (decrease) (%)
Processed Foods Business Division	208,630	(2,308)	(1.1)	4,717	1,811	62.3
Fresh Meats Business Division	409,256	23,188	6.0	13,878	(3,151)	(18.5)
Overseas Business Division	161,605	11,405	7.6	4,212	4,007	—
Ballpark Business	19,607	1,149	6.2	7,033	564	8.7

(Processed Foods Business Division)

Net sales decreased by 1.1% from the same period of the previous fiscal year to ¥208,630 million due to the decrease in sales volume of the deli and strategic product consolidation, including a review of low-profit products as part of structural reform, despite strong sales of the main product "SCHAU ESSEN", extracts, dairy and primary processed items. Business profit increased by 62.3% from the same period of the previous fiscal year to ¥4,717 million due to increased profitability because of improved product mix in hams and sausages as well as progress in production optimization.

(Fresh Meats Business Division)

Net sales increased by 6.0% from the same period of the previous fiscal year to ¥409,256 million due to growth in volume and higher unit prices of domestically produced pork to mass retailers, and of domestic beef, pork and chicken to restaurants. Business profit decreased by 18.5% to ¥13,878 million due to higher feed prices and lower market price of chicken in the domestic production division and a delay in passing on higher prices in the sales division in response to higher imported fresh meat prices.

(Overseas Business Division)

Net sales increased by 7.6% from the same period of the previous fiscal year to ¥161,605 million, due to growth in sales of the beef in Australia and the processed foods in the Americas. Business profit amounted to ¥4,212 million (business profit of ¥205 million for the same period of the previous fiscal year), mainly due to an increase in sales volume in Australia and progress in securing profits, despite the price increase of cattle in Australia.

(Ballpark Business)

Net sales increased by 6.2% from the same period of the previous fiscal year to ¥19,607 million and business profit increased by 8.7% from the same period of the previous fiscal year to ¥7,033 million, because advertising revenues increased due to the brand strategies we have implemented from the opening of “Hokkaido Ballpark F Village”, and ticket income and food/beverage revenues went up due to the growing number of visitors, as the result of the baseball team were strong.

(2) Explanation on the Financial Position

<Financial position>

Total assets at the end of the second (interim) quarter of the fiscal year decreased by 0.1% from the end of the previous fiscal year to ¥957,111 million. Current assets increased by 1.3% from the end of the previous fiscal year to ¥428,736 million as cash and cash equivalents increased by 8.8% to ¥71,213 million and inventories increased by 15.1% to ¥162,744 million because of an increase in stocks of fresh meats, especially imported beef and pork, while trade and other receivables decreased by 14.0% to ¥141,931 million because the last day of the previous fiscal year was a holiday for financial institutions. Non-current assets decreased by 1.2% from the end of the previous fiscal year to ¥528,375 million because property, plant and equipment decreased by 1.0% to ¥371,479 million, while intangible assets and goodwill increased by 12.4% to ¥29,035 million.

Total liabilities increased by ¥32 million from the end of the previous fiscal year to ¥419,067 million mainly because interest-bearing liabilities increased by 9.9% to ¥236,099 million due to an increase in borrowings prepared for current capital needs, although other current liabilities decreased by 20.9% to ¥38,545 million due to reducing unearned revenue related to season tickets of “ES CON FIELD HOKKAIDO”.

Total equity attributable to owners of the parent decreased by 0.6% from the end of the previous fiscal year to ¥524,587 million mainly because ¥17,864 million increase due to profit, although ¥12,217 million decrease due to cash dividends and ¥4,687 million decrease relating to exchange differences on translation of foreign operations.

As a result, the equity ratio of owners of the parent decreased by 0.2 percentage points from the end of previous fiscal year to 54.8%.

<Cash flows>

With regard to operating activities, profit before tax amounted to ¥28,872 million, depreciation and amortization expenses amounted to ¥20,392 million and the decrease in trade and other receivables amounted to ¥22,750 million, while the increase in inventories amounted to ¥21,841 million. As a result, net cash provided by operating activities amounted to ¥22,374 million.

With regard to investing activities, acquisition of fixed assets amounted to ¥20,296 million. As a result, net cash used in investing activities amounted to ¥15,744 million.

With regard to financing activities, the increase in short-term bank loans amounted to ¥9,072 million and proceeds from debt amounted to ¥19,972 million, while cash dividends amounted to ¥12,318 million. As a result, net cash provided by financing activities amounted to ¥64 million.

As a result, cash and cash equivalents at the end of the second (interim) quarter of the fiscal year increased by ¥5,748 million from the end of the previous fiscal year to ¥71,213 million.

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

The Company does not change the forecast of consolidated business results for the whole-year period ending March 31, 2025.

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, 2024 (as of March 31, 2024)	Second (interim) quarter of the year ending March 31, 2025 (as of September 30, 2024)
(Assets)		
Current Assets		
Cash and cash equivalents	65,465	71,213
Trade and other receivables	165,022	141,931
Inventories	141,429	162,744
Biological assets	25,420	30,539
Other financial assets	5,711	7,811
Other current assets	20,318	14,478
Assets held for sale	65	20
Total Current Assets	423,430	428,736
Non-current Assets		
Property, plant and equipment	375,211	371,479
Right-of-use assets	44,814	42,578
Biological assets	1,531	1,720
Intangible assets and goodwill	25,822	29,035
Investments accounted for using the equity method	9,835	8,642
Other financial assets	30,019	29,789
Deferred tax assets	28,072	25,528
Other non-current assets	19,503	19,604
Total Non-current Assets	534,807	528,375
Total Assets	958,237	957,111
(Liabilities and Equity)		
Current Liabilities		
Interest-bearing liabilities	59,247	108,073
Trade and other payables	116,773	108,973
Income taxes payable	7,143	6,892
Other financial liabilities	14,964	11,827
Other current liabilities	48,705	38,545
Total Current Liabilities	246,832	274,310
Non-current Liabilities		
Interest-bearing liabilities	155,605	128,026
Retirement benefit liabilities	12,491	12,647
Other financial liabilities	1,184	1,229
Deferred tax liabilities	874	825
Other non-current liabilities	2,049	2,030
Total Non-current Liabilities	172,203	144,757
Total Liabilities	419,035	419,067

(millions of yen)

	Year ended March 31, 2024 (as of March 31, 2024)	Second (interim) quarter of the year ending March 31, 2025 (as of September 30, 2024)
Equity		
Common stock	36,294	36,294
Capital surplus	71,110	71,023
Retained earnings	390,305	396,495
Treasury stock, at cost	(1,403)	(6,178)
Accumulated other comprehensive income	31,197	26,953
Total Equity Attributable to Owners of the Parent	527,503	524,587
Non-controlling Interests	11,699	13,457
Total Equity	539,202	538,044
Total Liabilities and Equity	958,237	957,111

(Note) Breakdown of accumulated other comprehensive income

	Year ended March 31, 2024	Second (interim) quarter of the year ending March 31, 2025
Financial assets measured at fair value through other comprehensive income	8,817	9,260
Exchange differences on translation of foreign operations	22,380	17,693

(2) Condensed Consolidated Statements of Income

(millions of yen)

	Second (interim) quarter of the year ended March 31, 2024 (April 1, 2023 through September 30, 2023)	Second (interim) quarter of the year ending March 31, 2025 (April 1, 2024 through September 30, 2024)
Net Sales	652,122	683,864
Cost of Goods Sold	544,253	568,100
Selling, General and Administrative Expenses	83,974	89,837
Other Income	13,193	5,528
Other Expenses	6,433	2,576
Financial Income	1,750	2,481
Financial Costs	1,166	1,973
Share of Profit (loss) in Investments Accounted for Using the Equity Method	366	(515)
Profit before Tax	31,605	28,872
Income Tax Expense	9,826	9,141
Profit from Continuing Operations	21,779	19,731
Profit from Discontinued Operations	105	—
Profit	21,884	19,731
Profit Attributable to:		
Owners of the Parent		
Continuing Operations	19,879	17,864
Discontinued Operations	105	—
Total	19,984	17,864
Non-controlling Interests		
Continuing Operations	1,900	1,867
Discontinued Operations	—	—
Total	1,900	1,867
Profit	21,884	19,731

Earnings per Share		
Earnings per share (basic)	194.88 yen	174.19 yen
Continuing Operations	193.85 yen	174.19 yen
Discontinued Operations	1.03 yen	— yen

(Note) Diluted earnings per share is not presented as no potential shares with dilutive effect existed.

(3) Condensed Consolidated Statements of Comprehensive Income

(millions of yen)

	Second (interim) quarter of the year ended March 31, 2024 (April 1, 2023 through September 30, 2023)	Second (interim) quarter of the year ending March 31, 2025 (April 1, 2024 through September 30, 2024)
Profit	21,884	19,731
Other Comprehensive Income (Loss)		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit plans	(16)	(4)
Financial assets measured at fair value through other comprehensive income	1,660	976
Share of other comprehensive income of investments accounted for using the equity method	(58)	15
Total	1,586	987
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	7,566	(4,154)
Share of other comprehensive income of investments accounted for using the equity method	1,041	(542)
Total	8,607	(4,696)
Total Other Comprehensive Income (Loss)	10,193	(3,709)
Comprehensive Income	32,077	16,022
Comprehensive Income Attributable to:		
Owners of the Parent	30,025	14,163
Non-controlling Interests	2,052	1,859
Comprehensive Income	32,077	16,022

(4) Condensed Consolidated Statements of Changes in Equity

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

(millions of yen)

	Equity attributable to owners of the parent									Total	Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income							
					Remeasurement of defined benefit plans	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Subtotal	Accumulated other comprehensive 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 transactions		(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

Consolidated second (interim) quarter of the year ending March 31, 2025 (April 1, 2024
through September 30, 2024)

(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, 2024	36,294	71,110	390,305	(1,403)	—	8,817	22,380	31,197	527,503	11,699	539,202
Profit			17,864					—	17,864	1,867	19,731
Other comprehensive income					(4)	990	(4,687)	(3,701)	(3,701)	(8)	(3,709)
Comprehensive income	—	—	17,864	—	(4)	990	(4,687)	(3,701)	14,163	1,859	16,022
Dividends			(12,217)					—	(12,217)	(101)	(12,318)
Acquisition of treasury stock				(5,289)				—	(5,289)		(5,289)
Disposal of treasury stock		20		514				—	534		534
Share-based payment transactions		(107)						—	(107)		(107)
Transfer of accumulated other comprehensive income to retained earnings			543		4	(547)		(543)	—		—
Total transactions with owners	—	(87)	(11,674)	(4,775)	4	(547)	—	(543)	(17,079)	(101)	(17,180)
Balance as of September 30, 2024	36,294	71,023	396,495	(6,178)	—	9,260	17,693	26,953	524,587	13,457	538,044

(5) Condensed Consolidated Statements of Cash Flows

(millions of yen)

	Second (interim) quarter of the year ended March 31, 2024 (April 1, 2023 through September 30, 2023)	Second (interim) quarter of the year ending March 31, 2025 (April 1, 2024 through September 30, 2024)
Cash Flows from Operating Activities		
Profit before tax	31,605	28,872
Loss before tax from discontinued operations	228	-
Depreciation and amortization expense	19,684	20,392
Impairment losses (reversal of impairment losses)	271	58
Decrease (increase) in fair value of biological assets	(1,671)	(3,347)
Financial income and costs	(453)	(509)
Loss (gain) on sales of business	(1,318)	-
Decrease (increase) in trade and other receivables	(12,231)	22,750
Decrease (increase) in inventories	(155)	(21,841)
Decrease (increase) in biological assets	3,140	(2,216)
Decrease (increase) in other assets	3,838	2,927
Increase (decrease) in trade and other payables	10,548	(7,342)
Increase (decrease) in other liabilities	(3,480)	(10,180)
Others—net	(4,253)	(4,840)
Interest received	1,518	1,167
Dividends received	1,025	537
Interest paid	(1,195)	(780)
Income tax paid	(789)	(3,274)
Cash Flows from Operating Activities	46,312	22,374
Cash Flows from Investing Activities		
Acquisition of fixed assets	(21,028)	(20,296)
Proceeds from sales of fixed assets	381	758
Decrease (increase) in time deposits	(726)	(61)
Acquisition of other financial assets	(31)	(474)
Sale and redemption of other financial assets	30	2,266
Proceeds from government grants	2,425	2,471
Payments for sales of business	(1,444)	-
Others—net	(553)	(408)
Cash Flows from Investing Activities	(20,946)	(15,744)
Cash Flows from Financing Activities		
Cash dividends	(11,325)	(12,318)
Increase (decrease) in short-term bank loans	(24,824)	9,072
Proceeds from debt	38,563	19,972
Repayments of debt	(22,288)	(7,032)
Acquisition of treasury stock	(2)	(10,004)
Proceeds from disposition of treasury stock	358	374
Cash Flows from Financing Activities	(19,518)	64
Effect of Exchange Rate Changes on Cash and Cash Equivalents	4,840	(1,921)
Hyperinflation Adjustment	793	975
Increase (decrease) in Cash and Cash Equivalents Included in Assets Held for Sale	809	-
Net Increase (Decrease) in Cash and Cash Equivalents	12,290	5,748
Cash and Cash Equivalents at the Beginning of the Period	64,986	65,465
Cash and Cash Equivalents at the End of the Period	77,276	71,213

(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 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.

The Company has independently disclosed the Ballpark Business, which was previously included in the "Others" from the second (interim) quarter of the current fiscal year in consideration of its increased importance.

Accordingly, reportable segments have been changed to the following four business groups, and figures for the second (interim) quarter of the year ended March 31, 2024 have been reclassified based on the new reportable segment information.

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
Ballpark Business	—	Mainly professional baseball-related entertainment, stadium operations, and overall ballpark management

From the second (interim) quarter of the current fiscal year, the Company has reviewed the method of adjusting foreign exchange gains and losses, etc., to reflect the performance of its reportable segments and has changed the method of calculating profit or loss by business segment more appropriately. If business segment information for the second (interim) quarter of the year ended March 31, 2024 had been prepared using the calculation method after the change, segment profit of the Fresh Meats Business Division would have increased by 965 million yen and segment profit of the Processed Foods Business Division would have decreased by 78 million yen.

In addition, the Company has classified the beef business relating to Breeders & Packers Uruguay S.A. ("BPU") as discontinued operations from the year ended March 31, 2023. However, the Overseas Business Division in the reportable segments includes beef business that has been classified as discontinued operation.

The Group consists of 62 subsidiaries and 6 associates and joint ventures.

For the consolidated second (interim) quarter of the year ended March 31, 2024 (April 1, 2023 through September 30, 2023):

(millions of yen)

	Processed Foods Business Division	Fresh Meats Business Division	Overseas Business Division	Ballpark Business	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	16,709	660,374	2,371	662,745	(10,623)	652,122
Intersegment sales	14,288	31,071	58,182	1,749	105,290	(105,290)	–	–	–
Total	210,938	386,068	150,200	18,458	765,664	(102,919)	662,745	(10,623)	652,122
Segment profit	2,906	17,029	205	6,469	26,609	(1,646)	24,963	928	25,891

For the consolidated second (interim) quarter of the year ending March 31, 2025 (April 1, 2024 through September 30, 2024):

(millions of yen)

	Processed Foods Business Division	Fresh Meats Business Division	Overseas Business Division	Ballpark Business	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	194,284	377,109	94,156	17,824	683,373	491	683,864	–	683,864
Intersegment sales	14,346	32,147	67,449	1,783	115,725	(115,725)	–	–	–
Total	208,630	409,256	161,605	19,607	799,098	(115,234)	683,864	–	683,864
Segment profit	4,717	13,878	4,212	7,033	29,840	(2,748)	27,092	–	27,092

- (Notes) 1. “Eliminations, adjustments and others” includes unallocated items and intersegment eliminations.
2. 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.
3. “Segment 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 Accounting Standards and non-recurring items.
4. In the second (interim) quarter of the previous fiscal year, 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) 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)

	Second (interim) quarter of the year ended March 31, 2024 (consolidated) (April 1, 2023 through September 30, 2023)	Second (interim) quarter of the year ending March 31, 2025 (consolidated) (April 1, 2024 through September 30, 2024)
Net sales	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)	(11,646)	—
Profit before tax from discontinued operations	228	—
Income tax expense	(123)	—
Profit from discontinued operations	105	—