

February 7, 2025

BRIEF STATEMENT OF ACCOUNTS
FOR THE THIRD 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/
Representative:	Nobuhisa Ikawa President and Representative Director
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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, 2025 (April 1, 2024 through December 31, 2024):

(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, 2025	1,055,018	5.7	39,988	(3.7)	43,297	(0.9)	30,741	(1.1)	29,152	(1.2)	37,766	0.3
Third quarter of the year ended 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

(yen)

	Earnings per share (basic)
Third quarter of the year ending March 31, 2025	286.43
Third quarter of the year ended March 31, 2024	287.80

(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)	(%)
Third quarter of the year ending March 31, 2025	996,108	545,013	531,693	53.4
Year ended March 31, 2024	958,237	539,202	527,503	55.0

2. State of dividends:

	Annual dividend				
	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	1,370,000	5.1	45,000	0.1	38,000	(6.4)	26,000	(7.4)	262.90

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

(Note) There are no changes to the forecast from the future outlook announced in the “Notice of the Adjustment to the Forecast of Business Results” dated January 31, 2025.

* 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:

Third 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:
Third quarter of the year ending March 31, 2025: 4,062,496 shares
Year ended March 31, 2024: 308,314 shares
- 3) Average number of shares outstanding during the period:
Third quarter of the year ending March 31, 2025: 101,776,195 shares
Third quarter of the year ended March 31, 2024: 102,569,539 shares

(Note) The number of shares of treasury stock as of the end of the period includes the number of the Company's shares (107,955 shares for the third 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 (78,900 shares for the third 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.

- * Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)
- * 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 4.

CONTENTS OF ATTACHMENT

1. Qualitative Information on the Statement of Accounts for the Third Quarter of the Fiscal Year under Review.....	2
(1) Explanation on the Operating Results.....	2
(2) Explanation on the Financial Position.....	3
(3) Explanation on the Forward-looking Information such as Forecast of Consolidated Business Results.....	4
2. Condensed Consolidated Financial Statements and Primary Notes	5
(1) Condensed Consolidated Statements of Financial Position	5
(2) Condensed Consolidated Statements of Income.....	7
(3) Condensed Consolidated Statements of Comprehensive Income	8
(4) Condensed Consolidated Statements of Changes in Equity.....	9
(5) Condensed Consolidated Statements of Cash Flows	11
(6) Note on the Premises of a Going Concern	12
(7) Significant Matters Forming the Basis for Preparing Condensed Consolidated Financial Statements.....	12
(8) Notes to Condensed Consolidated Financial Statements.....	12
1. Segment information	12
2. Note on discontinued operations	15

* The Company held a financial results briefing for institutional investors and analysts on Friday, January 31, 2025. All materials used at the conference are disclosed on TDnet and posted on its website.

* 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 cumulative third quarter of the fiscal year on a consolidated basis, net sales increased by 5.7% from the same period of the previous fiscal year to ¥1,055,018 million. This increase is primarily due to higher sales volumes and increased unit prices in the Fresh Meats Business, as well as growth in sales of beef in Australia and processed foods in America within the Overseas Business. Business profit decreased by 3.7% to ¥39,988 million. This is a result of the impact that the market environment for imported meat became worse, and that the costs to procure materials for processed foods increased in America. Profit before tax decreased by 0.9% to ¥43,297 million, because share of profit (loss) in investments accounted for using the equity method decreased. Profit attributable to owners of the parent decreased by 1.2% to ¥29,152 million, compared to the same period of the previous fiscal year.

Overview of Operating Segments

From the cumulative third quarter of the fiscal year under review, the Company has independently disclosed the Ballpark Business, which was previously included in the "Others", in consideration of its increased importance.

(millions of yen)

YoY results	Net sales			Business profit		
	Cumulative third quarter of the year ending March 31, 2025 (consolidated)	Increase (decrease) from the third quarter of the previous fiscal year	Increase (decrease) (%)	Cumulative third quarter of the year ending March 31, 2025 (consolidated)	Increase (decrease) from the third quarter of the previous fiscal year	Increase (decrease) (%)
Processed Foods Business Division	324,484	(5,434)	(1.6)	10,674	1,758	19.7
Fresh Meats Business Division	632,907	37,298	6.3	22,675	(5,670)	(20.0)
Overseas Business Division	244,381	24,685	11.2	4,280	2,125	98.6
Ballpark Business	23,882	2,451	11.4	5,826	1,141	24.4

(Processed Foods Business Division)

Net sales decreased by 1.6% from the same period of the previous fiscal year to ¥324,484 million, despite strong sales of the main product "SCHAU ESSEN", extracts, dairy and primary processed items. This decline is mainly due to the strategic product consolidation the company carrying out as part of structural reform, including reviewing products with low profitability. Business profit increased by 19.7% from the same period of the previous fiscal year to ¥10,674 million, attributed to increased profitability from an improved product mix in hams and sausages, as well as progress in production optimization.

(Fresh Meats Business Division)

Net sales increased by 6.3% from the same period of the previous fiscal year to ¥632,907 million. This is primarily due to the robust sales of domestic meat to both mass retailers and restaurants. Business profit decreased by 20.0% to ¥22,675 million. This decline is due to the continued high costs, including feed prices, and the deteriorating market environment for imported meat.

(Overseas Business Division)

Net sales increased by 11.2% from the same period of the previous fiscal year to ¥244,381 million. This increase is due to the growth in sales of the beef in Australia and the processed foods in America. Business profit increased by 98.6% from the same period of the previous fiscal year to ¥4,280 million, due to an increase in sales volume and advancements in securing profits in Australia. This is the result of the rise in the number of cattle shipped through the expansion of the feedlot.

(Ballpark Business)

Net sales increased by 11.4% from the same period of the previous fiscal year to ¥23,882 million and business profit increased by 24.4% from the same period of the previous fiscal year to ¥5,826 million. The growth was primarily attributed to increased ticket and restaurant revenues from the “Hokkaido Ballpark F Village.” This increase in the number of visitors was driven by the company's various events in addition to baseball games, as well as the team's strong performance.

(2) Explanation on the Financial Position

<Financial position>

Total assets at the end of the third quarter of the fiscal year increased by 4.0% from the end of the previous fiscal year to ¥996,108 million. Current assets increased by 10.9% from the end of the previous fiscal year to ¥469,472 million as cash and cash equivalents increased by 29.0% to ¥84,458 million and trade and other receivables increased by 15.7% to ¥191,012 million because of seasonal factors such as year-end sales, while other current assets decreased by 27.9% to ¥14,648 million. Non-current assets decreased by 1.5% from the end of the previous fiscal year to ¥526,636 million mainly because property, plant and equipment decreased by 1.2% to ¥370,620 million, while intangible assets and goodwill increased by 17.1% to ¥30,232 million.

Total liabilities increased by 7.7% from the end of the previous fiscal year to ¥451,095 million mainly because interest-bearing liabilities increased by 18.9% to ¥255,353 million due to an increase in borrowings prepared for current capital needs, although other current liabilities decreased by 21.3% to ¥38,318 million due to reducing unearned revenue related to Ballpark Business.

Total equity attributable to owners of the parent increased by 0.8% from the end of the previous fiscal year to ¥531,693 million mainly because ¥29,152 million increase due to net income and ¥5,594 million increase relating to exchange differences on translation of foreign operations, although ¥12,217 million decrease due to cash dividends.

As a result, the equity ratio of owners of the parent decreased by 1.6 percentage points from the end of previous fiscal year to 53.4%.

<Cash flows>

With regard to operating activities, profit before tax amounted to ¥43,297 million, depreciation and amortization expenses amounted to ¥30,757 million and the increase in trade and other payables amounted to ¥4,426 million, while the increase in trade and other receivables amounted to ¥23,069 million. As a result, net cash provided by operating activities amounted to ¥32,174 million.

With regard to investing activities, acquisition of fixed assets amounted to ¥28,148 million. As a result, net cash used in investing activities amounted to ¥21,089 million.

With regard to financing activities, the increase in short-term bank loans amounted to ¥25,152 million and the proceeds from debt amounted to ¥21,989 million, while acquisition of treasury stock amounted to ¥20,194 million. As a result, net cash provided by financing activities amounted to ¥4,651 million.

As a result, cash and cash equivalents at the end of the third quarter of the fiscal year increased by ¥18,993 million from the end of the previous fiscal year to ¥84,458 million.

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

There are no changes to the forecast of consolidated business results for the whole-year period of the year ending March 31, 2025 from the future outlook announced in the “Notice of the Adjustment to the Forecast of Business Results” dated January 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)	Third quarter of the year ending March 31, 2025 (as of December 31, 2024)
(Assets)		
Current Assets		
Cash and cash equivalents	65,465	84,458
Trade and other receivables	165,022	191,012
Inventories	141,429	141,226
Biological assets	25,420	31,907
Other financial assets	5,711	6,203
Other current assets	20,318	14,648
Assets held for sale	65	18
Total Current Assets	423,430	469,472
Non-current Assets		
Property, plant and equipment	375,211	370,620
Right-of-use assets	44,814	42,051
Biological assets	1,531	1,694
Intangible assets and goodwill	25,822	30,232
Investments accounted for using the equity method	9,835	9,225
Other financial assets	30,019	27,555
Deferred tax assets	28,072	26,473
Other non-current assets	19,503	18,786
Total Non-current Assets	534,807	526,636
Total Assets	958,237	996,108
(Liabilities and Equity)		
Current Liabilities		
Interest-bearing liabilities	59,247	128,570
Trade and other payables	116,773	121,404
Income taxes payable	7,143	6,900
Other financial liabilities	14,964	12,661
Other current liabilities	48,705	38,318
Total Current Liabilities	246,832	307,853
Non-current Liabilities		
Interest-bearing liabilities	155,605	126,783
Retirement benefit liabilities	12,491	12,898
Other financial liabilities	1,184	1,253
Deferred tax liabilities	874	441
Other non-current liabilities	2,049	1,867
Total Non-current Liabilities	172,203	143,242
Total Liabilities	419,035	451,095

(millions of yen)

	Year ended March 31, 2024 (as of March 31, 2024)	Third quarter of the year ending March 31, 2025 (as of December 31, 2024)
Equity		
Common stock	36,294	36,294
Capital surplus	71,110	70,993
Retained earnings	390,305	408,931
Treasury stock, at cost	(1,403)	(20,923)
Accumulated other comprehensive income	31,197	36,398
Total Equity Attributable to Owners of the Parent	527,503	531,693
Non-controlling Interests	11,699	13,320
Total Equity	539,202	545,013
Total Liabilities and Equity	958,237	996,108

(Note) Breakdown of accumulated other comprehensive income

	Year ended March 31, 2024	Third quarter of the year ending March 31, 2025
Financial assets measured at fair value through other comprehensive income	8,817	8,424
Exchange differences on translation of foreign operations	22,380	27,974

(2) Condensed Consolidated Statements of Income

(millions of yen)

	Cumulative third quarter of the year ended March 31, 2024 (consolidated) (April 1, 2023 through December 31, 2023)	Cumulative third quarter of the year ending March 31, 2025 (consolidated) (April 1, 2024 through December 31, 2024)
Net Sales	997,957	1,055,018
Cost of Goods Sold	834,271	879,013
Selling, General and Administrative Expenses	126,688	136,604
Other Income	12,106	10,828
Other Expenses	6,180	7,147
Financial Income	2,820	3,095
Financial Costs	2,181	2,089
Share of Profit (loss) in Investments Accounted for Using the Equity Method	118	(791)
Profit before Tax	43,681	43,297
Income Tax Expense	12,703	12,556
Profit from Continuing Operations	30,978	30,741
Profit from Discontinued Operations	103	—
Profit	31,081	30,741
Profit Attributable to:		
Owners of the Parent		
Continuing Operations	29,417	29,152
Discontinued Operations	103	—
Total	29,520	29,152
Non-controlling Interests		
Continuing Operations	1,561	1,589
Discontinued Operations	—	—
Total	1,561	1,589
Profit	31,081	30,741

Earnings per Share		
Earnings per share (basic)	287.80 yen	286.43 yen
Continuing Operations	286.81 yen	286.43 yen
Discontinued Operations	0.99 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)

	Cumulative third quarter of the year ended March 31, 2024 (consolidated) (April 1, 2023 through December 31, 2023)	Cumulative third quarter of the year ending March 31, 2025 (consolidated) (April 1, 2024 through December 31, 2024)
Profit	31,081	30,741
Other Comprehensive Income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit plans	(24)	(4)
Financial assets measured at fair value through other comprehensive income	1,663	1,290
Share of other comprehensive income of investments accounted for using the equity method	(55)	13
Total	1,584	1,299
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	4,395	5,410
Share of other comprehensive income of investments accounted for using the equity method	587	316
Total	4,982	5,726
Total Other Comprehensive Income	6,566	7,025
Comprehensive Income	37,647	37,766
Comprehensive Income Attributable to:		
Owners of the Parent	35,993	36,044
Non-controlling Interests	1,654	1,722
Comprehensive Income	37,647	37,766

(4) Condensed Consolidated Statements of Changes in Equity

Consolidated cumulative third quarter of the year ended 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				Total			
					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			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

Consolidated cumulative third quarter of the year ending March 31, 2025(April 1, 2024
through December 31, 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		
					Remeasur- ement of defined benefit plans	Financial assets measured at fair value through other comprehen- sive 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			29,152					—	29,152	1,589	30,741
Other comprehensive income					(4)	1,302	5,594	6,892	6,892	133	7,025
Comprehensive income	—	—	29,152	—	(4)	1,302	5,594	6,892	36,044	1,722	37,766
Dividends			(12,217)					—	(12,217)	(101)	(12,318)
Acquisition of treasury stock		(52)		(20,118)				—	(20,170)		(20,170)
Disposal of treasury stock		31		598				—	629		629
Share-based payment transactions		(96)						—	(96)		(96)
Transfer of accumulated other comprehensive income to retained earnings			1,691		4	(1,695)		(1,691)	—		—
Total transactions with owners	—	(117)	(10,526)	(19,520)	4	(1,695)	—	(1,691)	(31,854)	(101)	(31,955)
Balance as of December 31, 2024	36,294	70,993	408,931	(20,923)	—	8,424	27,974	36,398	531,693	13,320	545,013

(5) Condensed Consolidated Statements of Cash Flows

(millions of yen)

	Cumulative third quarter of the year ended March 31, 2024 (April 1, 2023 through December 31, 2023)	Cumulative third quarter of the year ending March 31, 2025 (April 1, 2024 through December 31, 2024)
Cash Flows from Operating Activities		
Profit before tax	43,681	43,297
Profit before tax from discontinued operations	224	—
Depreciation and amortization expense	29,567	30,757
Impairment losses (reversal of impairment losses)	655	1,248
Decrease (increase) in fair value of biological assets	(359)	(3,613)
Financial income and costs	(507)	(1,056)
Loss (gain) on sales of business	(1,101)	—
Decrease (increase) in trade and other receivables	(37,536)	(23,069)
Decrease (increase) in inventories	11,179	565
Decrease (increase) in biological assets	2,434	(3,278)
Decrease (increase) in other assets	2,340	2,975
Increase (decrease) in trade and other payables	18,244	4,426
Increase (decrease) in other liabilities	(4,630)	(10,535)
Others—net	(1,902)	(2,912)
Interest received	2,163	1,853
Dividends received	1,295	791
Interest paid	(1,570)	(1,243)
Income tax paid	(3,634)	(8,032)
Cash Flows from Operating Activities	60,543	32,174
Cash Flows from Investing Activities		
Acquisition of fixed assets	(33,783)	(28,148)
Proceeds from sales of fixed assets	645	900
Decrease (increase) in time deposits	(753)	(60)
Acquisition of other financial assets	(50)	(506)
Sale and redemption of other financial assets	622	4,873
Proceeds from government grants	2,525	2,471
Payments for sales of business	(1,345)	—
Others—net	(811)	(619)
Cash Flows from Investing Activities	(32,950)	(21,089)
Cash Flows from Financing Activities		
Cash dividends	(11,325)	(12,318)
Increase (decrease) in short-term bank loans	(28,784)	25,152
Proceeds from debt	41,150	21,989
Repayments of debt	(29,303)	(10,447)
Acquisition of treasury stock	(4)	(20,194)
Proceeds from sales of treasury stock	448	469
Cash Flows from Financing Activities	(27,818)	4,651
Effect of Exchange Rate Changes on Cash and Cash Equivalents	2,736	1,880
Hyperinflation Adjustment	1,042	1,377
Increase (decrease) in Cash and Cash Equivalents Included in Assets Held for Sale	809	—
Net Increase (Decrease) in Cash and Cash Equivalents	4,362	18,993
Cash and Cash Equivalents at the Beginning of the Period	64,986	65,465
Cash and Cash Equivalents at the End of the Period	69,348	84,458

(6) Note on the Premises of a Going Concern

Not applicable.

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

The condensed quarterly consolidated financial statements have been prepared in accordance with Article 5, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements, etc. of the Tokyo Stock Exchange, Inc. However, some disclosures in IAS 34 "Interim Financial Reporting" have been omitted in accordance with Article 5, Paragraph 5 of the Standards for the Preparation of Quarterly Financial Statements, etc.

(8) 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 cumulative third 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 cumulative third 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 cumulative third 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 more appropriately, and has changed the method of calculating profit or loss by business segment. If business segment information for the cumulative third 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 732million yen and segment profit of the Processed Foods Business Division would have decreased by 79 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 cumulative third quarter of the year ended March 31, 2024 (April 1, 2023 through December 31, 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	307,335	549,258	131,217	18,968	1,006,778	1,802	1,008,580	(10,623)	997,957
Intersegment sales	22,583	46,351	88,479	2,463	159,876	(159,876)	—	—	—
Total	329,918	595,609	219,696	21,431	1,166,654	(158,074)	1,008,580	(10,623)	997,957
Segment profit	8,916	28,345	2,155	4,685	44,101	(2,556)	41,545	950	42,495

For the consolidated cumulative third quarter of the year ending March 31, 2025 (April 1, 2024 through December 31, 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	301,852	583,128	146,559	21,381	1,052,920	2,098	1,055,018	—	1,055,018
Intersegment sales	22,632	49,779	97,822	2,501	172,734	(172,734)	—	—	—
Total	324,484	632,907	244,381	23,882	1,225,654	(170,636)	1,055,018	—	1,055,018
Segment profit	10,674	22,675	4,280	5,826	43,455	(3,467)	39,988	—	39,988

- (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 cumulative third 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)

	Cumulative third quarter of the year ended March 31, 2024 (consolidated) (April 1, 2023 through December 31, 2023)	Cumulative third quarter of the year ending March 31, 2025 (consolidated) (April 1, 2024 through December 31 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)	(11,650)	—
Profit before tax from discontinued operations	224	—
Income tax expense	(121)	—
Profit from discontinued operations	103	—